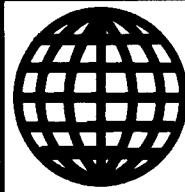


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GENERAL

IPU Delegate Reiterates Foreign Policy Position

91CM0047A Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Oct 90 p 6

[XINHUA wire dated 18 October from Punta del Este, Uruguay, by reporter Yan Weimin (7346 3634 3046): "Statement on China's Present Stand on International Affairs"]

[Text] Attending the 84th Conference of the Interparliamentary Union [IPU], Yao Guang (1202 1684), head of the Chinese delegation, made a statement, this afternoon during the general debate, on China's present stand on international affairs.

Yao Guang pointed out, "A profoundly changed international situation greets humanity at the start of the 1990's. The old world order has been destroyed, military confrontation between large countries has slackened, but the world is not at all yet in a state of overall peace. Incidents of new power politics and hegemonism are not lacking, and interference in the domestic politics of other countries does occur. The international environment, faced with the large range of developing countries, has further worsened, and the discrepancy between North and South has further widened. In certain regions the situation has become tense and complex."

When the discussion turned to the drastically worsening situation in the gulf region, Yao Guang said, a country's military aggression and annexation of another sovereign country "violate the statute of the United Nations and generally acknowledged rules of international relations, and also violate the five principles of peaceful coexistence." He said, China calls on all concerned to exercise restraint, not to resort to military force, and to allow the conflict in the Gulf region to be solved through political means within an Arabian framework. He also said that China vehemently condemns the Israeli authorities for their cruel suppression of the Palestinians living in East Jerusalem, and calls on the international community to adopt effective measures to stop the unlawful conduct of the Israeli authorities. He also said that China has all along proposed that a solution to the overall Middle East problem be found through political channels, and that no one should resort to military force.

With regard to the North-South relationship that had been discussed at the present conference, Yao Guang said, "We hope that the 1990's can become a new era of vigorous development of the world economy and of common prosperity. It is our belief that the unfair and unequal international economic order must change, that the developed countries must contribute to the improvement of the international economic environment, especially toward solving the problem of foreign indebtedness of the developing countries. The international community should adopt substantial and effective measures toward a new round of North-South dialogue."

Yao Guang said the 1990's will be the critical decade that will determine the developmental direction of the world in the 21st century.

He said that, in order to establish a just and rational new international political and economic order, "We propose: Every country shall have the right to freely choose its political, economic, and social system according to its national conditions; every country in the world, especially all large countries, must strictly observe the principle of noninterference in the domestic affairs of other countries; all countries must treat each other with respect and in a spirit of friendship, cooperate for mutual benefit, and resolve international disputes sensibly through peaceful negotiations; all countries, whether large or small, whether powerful or weak, shall have the right to participate in decisions on world affairs."

Antiwar Demonstrations in U.S., France Reported

91CM0048A Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Oct 90 p 6

[Article by staff correspondents: "Demonstrators in the United States and France Demand Peaceful Solution to Gulf Crisis"]

[Text] (By wire from Washington correspondent, dated 20 October) In 16 large cities of the United States, among them New York, Washington, and San Francisco, people from various walks of life demonstrated today against the U.S. military concentration in the Gulf, demanding that the Bush administration immediately withdraw its military from the Gulf region and resolve the Gulf crisis in a peaceful way. This is the first large protest movement since the United States despatched troops to the Gulf.

Participating in the demonstrations were people from various walks of life, students, workers, and people from religious organizations, among them women, senior citizens, and children. The placards carried by the demonstrators read "Iraq withdraw from Kuwait, United States withdraw from Saudi Arabia!" and "Use money for peace, not for war!"

Todays's New York demonstration was the largest, with several thousands participating. Organizers estimate that participants in demonstrations in other cities numbered from 100 to 1,000 persons. In the capital of Washington, about 200 people held a protest demonstration in front of the White House.

(By wire from Paris, dated 21 October) Yesterday afternoon, people by the thousands and tens of thousands went into the streets demonstrating their opposition to the military buildup by Western countries in the Gulf region and demanding a peaceful solution to the Gulf crisis. This was the first large-scale demonstration since the start of the Gulf crisis.

It is reported that the present demonstration was initiated by 75 outstanding personalities from various walks

of life, with some political parties, labor unions, and mass organizations taking part in the organization. The formidable mass of demonstrators started out from the Place de la Republique in Paris and marched several kilometers to the Place des Invalides. The demonstrators carried placards and little flags and shouted in unison: "We don't want war!" "Fight for peace!" "Foreign troops out of the Gulf region!" "No to Saddam's occupation, also no to Western intervention!" When the singing and shouting stopped at one end, it was resumed at the other end, attracting a huge crowd of onlookers.

Global Impact of German Reunification

On Future Europe

91P30025A Shanghai GUOJI ZHANWANG [WORLD OUTLOOK] in Chinese No 17, 5 Sep 90 pp 3-4

[Article by Xue Yan (1331 3601): "The Reunification of Germany Can Be Realized Within a Year"]

[Excerpt] [passage omitted] **Reunified Germany and the Future European Situation**

The division of Germany was an important factor in the creation of postwar Europe. All the forces of Europe are facing new paradoxes, conflicts, and combinations revolving around the reunification of the two Germanys; policies and interrelationships of all kinds are brewing big changes and readjustments. The reunification of Germany will unavoidably shake the original European situation.

The main influence of German reunification on the future European situation will manifest itself in the following three aspects:

A. Influence on Relations With the West

After Germany reunifies, the effect of the two Germanys as a protective screen for the two big military blocs will be lost. Following the drastic changes that took place in East Europe, German reunification will further upset the original military situation and security structure in Europe. It will not only deal a big blow to the Warsaw Pact, headed by the USSR, but will also cause big changes in the function and position of NATO. Henceforth in Europe, although the Warsaw Pact may continue to exist for a time, in reality it has already lost its original function and is headed for dissolution. We still can't overlook the Soviet Union's influence as a great nation, but its power and position are weakening. The power of the United States will continue to exist, but its influence as one pole of power will tend to drop as the influence of the Soviet Union as another pole of power weakens. Moreover, the function and power of the European countries will increase greatly. It looks as if, in the future, there could be a new situation in Europe in which the United States, the Soviet Union, and Germany fight for European dominance. The two big blocs will evolve from

a military-political alliance to a political-military alliance to a political alliance and gradually toward dissolution and replacement by a new European security system.

B. Influence on the Process of Integrating Europe

The reunification of the two Germanys is both a risk and an opportunity for the integration of Europe. Within the EC, a reunified Germany will increase its economic, political, and military strength and position; Germany's influence on European affairs will increase greatly, and the triangular relationship between France, Germany, and England will undergo changes. Germany could get the controlling position, with a comparative drop in the positions of France and England, thereby disrupting the EC's original structure. In order to guarantee its existing political and economic position in the EC, France is providing the main force for the simultaneous integration of Europe and reunification of the two Germanys. It plans to use the integration of Europe to confine a reunified Germany within the EC in order to restrict the rise of a powerful Germany and maintain the EC's existing internal structure. England is also wary of the future Germany. Not long ago, England's former Secretary of State for Trade and Industry Ridley, in talking about Germany wanting "to control all of Europe" reflected the feelings of some Europeans. Through the concerted efforts and all the political forces of all the EC's member countries, the various mechanisms formed by the EC over the years have constantly adjusted all of its policies in light of German reunification, in order to enable the reunification of the two Germanys and the integration of Europe to be brought gradually into line. All the countries of the EC are now unanimously emphasizing that, putting German reunification in the perspective of the integration of Europe, united Germany must fuse with the EC. During the interaction between German reunification and European integration, how relations are adjusted between a reunified Germany and the EC and the trend in the development of these relations will, to a large extent, affect the future European situation.

Influence on Small and Midsized Countries in South-Central Europe

After Germany reunites, a powerful Germany will appear in the heart of Europe, causing unease and worry among the small and midsized countries neighboring it. Proceeding from protection of their own economies and security interests, they, on the one hand, hope to maintain friendly, neighborly relations with Germany in the future and are in favor of and support the reunification of the two Germanys. On the other hand, in order to balance the power of Germany in the future, they are also actively pursuing new cooperative and security mechanisms. For example, some small and midsized countries in south-central Europe are strengthening bilateral relations and cooperation, such as Austria with Hungary, and Czechoslovakia with Hungary and Poland. It is noteworthy that, on 1 August in Venice, Italy, at the

first meeting held between the leaders of the five countries of Italy, Austria, Hungary, Yugoslavia, and Czechoslovakia, they passed political documents and a three-year plan for cooperation. The meeting was searching for a new balance in Europe. Indeed, as Italian Vice Prime Minister Martelli said, "We have discussed whether or not Europe in the future will have a single center or many centers; it is very possible that both situations will exist. The EC is primary, but other organizations and structures also have room to exist."

On Europe, World

91P30025B Beijing BAN YUE TAN [SEMIMONTHLY TALKS] in Chinese No 19, 10 Oct 90 pp 27-29

[Article by Li Zhongfa (2621 6988 4099), managing editor of XINHUA and editor of the Europe and America Desk of the International News Department: "How To View German Reunification"]

[Excerpt] [passage omitted] Influence on Europe and the World

The reunification of Germany is a historical turning point in postwar world politics; it already has had and will continue to have a big influence on Europe and the world.

First, the "Yalta pattern," by which the United States and the Soviet Union divided Europe after the war, has collapsed. Although the United States and the Soviet Union are still important factors determining the European situation, it is generally believed that, along with the resurrection of Germany, a USSR-U.S.-German triangle will appear in Europe.

Second, the European security structure will be further upset. Because of changes in the Soviet Union and East Europe, the Warsaw Pact is headed toward dissolution. Although NATO emphasizes that it will continue to exist, there have already been big changes in its strategy. A reunified Germany that remains in NATO will cause an already unbalanced military balance of power to tilt further to the West. Under these conditions, the European countries' appeals demanding the establishment of a new security structure are growing louder.

Third, German reunification will also have a big effect on the European economy. The political and economic structures of the East European countries are changing; Germany will use its advantageous geography, political superiority, and great economic strength to fill the "vacuum" appearing in East Europe. As far as the integration of the EC is concerned, contradictions could arise between Germany and the other countries.

In the 40 years since the war, France's position as "political leader" and its independent nuclear capabilities, in addition to West Germany's economic strength, were the "central force" for the establishment of Europe and were a big motivating force in the establishment of

the EC and a European defense. Now German reunification is causing France to have a certain "sense of loss" and to worry that the "Franco-German axis" will dissolve. Not only does France's national strength not compare with Germany's, it is afraid that the latter's "interests are moving east," causing France's political position in Europe to decline. However, judging from Chancellor Kohl and President Mitterand's most recent joint declaration, Germany will continue to stress political, economic, and defense cooperation.

German reunification is a serious challenge to the leading position of the United States in the Western alliance. During the economic summit held in July of this year by the Western Group of Seven, West Germany no longer took orders from the United States on several issues. President Bush had to admit that "big changes are taking place in the world."

After German reunification, Soviet-German relations could enter a new stage of development. Both German and Russian leaders put great emphasis on developing relations between the two countries. Last month, after the signing of the German reunification treaty, the two countries immediately initiated a friendship agreement providing guidance on future Soviet-German relations. Public opinion holds that current Soviet-German relations far exceed Soviet relations with other Western countries.

The most important effect of German reunification on the world will be a clear increase in its right to speak out on world affairs, which will be a further push toward the development of a multipolar world situation. The power of the United States and the USSR has weakened correspondingly; the rise of Germany and Japan must cause world global politics to move from hegemonism to a new, balanced situation.

EAST EUROPE

New Political Party Established in Yugoslavia

OW1511012190 Beijing XINHUA in English
0816 GMT 14 Nov 90

[Text] Belgrade, November 14 (XINHUA)—A new political party, the "League of Communists—Protection of Yugoslavia," is to be established here on November 19.

This was announced in a communique issued here Tuesday following a sponsorship committee meeting of the party.

Sponsors are some organizations and individuals from the League of Communists of Yugoslavia (LCY), including the LCY organizations in the People's Army.

They include Federal Defense Minister Veljko Kadijevic; chairman of the LCY committee within the army, Admiral Bozidar Grubisic; Federal Interior Minister Petar Gracanin; former President of the Presidium of the

LCY Central Committee Lazar Mojsov; former President Raif Dizdarevic; former Federal Defense Minister Fleet Admiral Branko Mamula and former Chief of General Staff of the People's Army Senior General Stevan Mirkovic.

The communique pointed out that despite its difficulties and setbacks, socialism remains the natural development of history in a society free of exploitation.

"The League of Communists—Protection of Yugoslavia" believes that it will be established on the basis of the ideology and fruitful results of the socialist and communist movements in Yugoslavia.

The communique added that Yugoslavia is now facing the danger of a civil war and the loss of its independence to degenerate into a colony both economically and politically, as the activities of internal ethnic and splittist forces increase and external pressure mounts.

It is the supreme objective right now for the party to safeguard Yugoslavia's freedom, independence, dignity and equality among the nationalities, it added.

LCY has been in a splitting state since early this year when it lost in elections in the Slovenia and Croatia Republics and some of its organizations in other republics changed their names.

Until now, the preparatory committee for a LCY congress of democratic rehabilitation has failed to agree on the convening of the congress.

Meanwhile, over 160 political parties have emerged nationwide with some of them doing all they could to fan up national hatred and to split the country. Some right-wing parties are even openly making anti-communist and anti-socialist cries.

SUB-SAHARAN AFRICA

PRC Embassies Fail To Aid PRC Liberian Refugees

91P30032A Hong Kong CHENG MING
[CONTENDING] in Chinese No 225, 1 Oct 90 pp 54-55

[Article by Ya Dong (0068 2639) from the Ivory Coast: "PRC Embassies Refuse Aid to Their Distressed"]

[Text] *Why are the lives of mainlanders so difficult? We were caught up in a war and made refugees, the PRC Embassy avoids us like the plague, not offering even the most elementary humanitarian aid... Beseech heaven and God: why did you make us mainland Chinese?*

Editor's note: The following is a letter of tears and blood and accusation from Liberia in West Africa; the letter accuses the PRC Embassies of creating unreasonable difficulties for our compatriots suffering from the ravages of war; from it one can see that the Chinese Communists' treatment of "Chinese people" in other areas is totally

subordinate to the needs of the united front, and that their so-called "humanitarianism" serves only the needs of politics.

Coming from the mainland, we did not hesitate to spend from \$3,000 to \$5,000 to purchase a residency permit to live in the West African country of Liberia. From June through August of this year, civil war fighting worsened greatly, causing travel and communications between Monrovia, the capital, and the outside world to be cut off; there was no water, no electricity, no food; some 80-odd mainland Chinese were trapped in the city. By the end of July and the beginning of August, most of the possessions and even the passports of these Overseas Chinese had been stolen by government or antigovernment troops. If they did not get out of Liberia, even if they were not shot and killed, they would die of starvation. For these reasons, by various channels, and with the aid of the U.S. Embassy, we individually fled to the neighboring countries of Sierra Leone or the Ivory Coast.

Reissuance of Passports Requires Reinvestigations at Home

After we arrived in the capital of Ivory Coast, we went to the local PRC Embassy to request aid and the reissuance of passports. When we arrived at the Embassy, the officer in charge of Overseas Chinese affairs told us: "The Embassy is unable to provide any assistance; you have to solve your own problems. In order to reissue passports, there will have to be an in-country investigation to ascertain that you left the country last year before the 4 June incident, and whether or not any problems arose during the time of the democracy movement. This was decreed by the home government, you will have to wait patiently. You have been robbed clean of your money, but the country has given us no monies for such expenses, so there is nothing we can do. Please forgive us." And with this, we were escorted out the Embassy gates. We had no money, so the only thing we could do was curse a bit and then wander the streets of Abidjan. A few kindhearted Overseas Chinese, incensed at the Embassy's actions, actually went to the Embassy to ask why they treated the refugee Chinese so. The officer in charge of Overseas Chinese affairs said, "Speaking for myself, I really feel sorry for them, but the central government cabled us instructions, and as an individual I dare not disobey." These Overseas Chinese, taking the attitude that we were all Chinese together, helped us out somewhat. It is extremely difficult to find work here, and even when one or the other of us found work, the pay was very low. As for the rest of us, some were able to work for no wages in exchange for a meal or two a day, others of us are still wandering the streets today. Because we have no passports, we cannot return home; some have been waiting for passports for more than a month, with no news yet. Each of us carries a locally issued refugee certificate; we cannot cross the borders. We have no money, we depend on our begging to live. The PRC Embassy turns a blind eye toward us, and does not fear for the PRC's loss of face. Some of us went to the United Nations Refugee Office to ask for aid. The answer there

was, "You are not Liberian citizens, so we cannot give you aid. You should go to your own PRC Embassy." When we told them of the PRC Embassy's attitude, the United Nations Refugee Office could not understand it. They asked, "How can the Chinese Communists be so inhuman?"

The Embassy Guesthouse Profiteering at Every Turn

We are a group of people in dire straits. Many have been robbed several times. Some of our female compatriots have encountered brutality at the hands of the rebel military forces and suffered extreme psychological devastation. Having come to Abidjan, they live a beggar's life. When not a single officer of the PRC Embassy expressed the least concern, the ambassador became as difficult to see as an emperor. Whenever one goes to the Embassy to press for the issuance of a passport, the officers there, upon seeing us, act as if they had seen bearers of the plague and run to hide in the back rooms. These officers dwell in four very lavish villas, with four swimming pools and several large Mercedes Benz sedans, but they have forgotten that these things are, in some part, the result of the blood and sweat of these new Overseas Chinese.

Another group of people fled to Sierra Leone and also received no aid from the PRC Embassy in that country. Some of them stayed at the Sierra Leone Embassy's guesthouse at a charge of \$20 per day just for food and lodging. The charge for use of a wash basin was \$0.20, for a hot water thermos \$0.30, for a pair of house slippers \$0.10. After staying there for a few days, they could no longer bear it and came to Abidjan. They say all crows are black, and PRC Embassies in all locations are apparently all the same too.

The Overseas Chinese in West Africa encountered once-in-a-lifetime wartime sufferings; the PRC Embassies did not provide the most elementary humanitarian assistance to them; from this it is not at all difficult to come to an understanding of the massacre the Communists perpetrated last 4 June in Tiananmen Square.

Even the Indian Refugees Fare Better

So how did other countries treat their citizens in Liberia? When the war began to escalate in May and June, Great Britain, the United States, West Germany, France, and the Soviet Union each sent special aircraft or chartered aircraft to evacuate their citizens free of charge. On 12 June, a charter flight from Taiwan took several dozen

Overseas Chinese to Taiwan. At that time, several Taiwanese did not leave, and later could stay no longer and fled to Abidjan. Their passports had been stolen. After Taiwan was informed by cable, they received new passports within three days.

Most of the overseas Indians also had been robbed of their passports, but when they got to Abidjan, the Indian Embassy immediately issued them new ones. Each of the more than 100 Indians got an airplane ticket and returned home without cost. Malaysians and Singaporeans coming to Abidjan had no embassy to turn to, but were handled by the British Embassy. Of the dozen or so, eight had no passports (stolen); after they went to the British Embassy and explained the situation, one phone call [was made] to the Malaysian and Singaporean Embassies in Britain and the return phone call requested that the British Embassy issue them documents guaranteeing their immediate return home. They requested that the Embassy take care of the cost of the plane tickets and such charges, and within two hours the whole affair was finished.

These other embassies not only provided free housing and food for their citizens while they were in Abidjan, but solved almost all of their problems, and allowed them to make a free IDD [International Direct Dialing] call to their families at home to let them know they were safe. If the phone call could not get through, the embassy faxed a message to their foreign affairs departments to relay the news to family and friends, or sent out a DHL express letter, and so on. However, when we asked the PRC Embassy to let us make a phone call to let our friends and relatives know we were safe, we all met with groundless refusals.

Why are the lives of mainlanders so difficult? Carrying a mainland passport we run into discrimination everywhere. If we want to go to another country to transact business, especially to some developed country, they almost all refuse us, thinking that we are going to ask to immigrate. If we return home to visit relatives, passing through Hong Kong, the British Government needs 20 days to investigate before they give us certification for a seven-day stay. But the Taiwanese, who are just as Chinese as we, no matter where they go, are immediately passed. If they go to the United States, they get their permits the same day, and the permits are for three to five years. But if you are a mainland, all you get is a week. There is nothing we can do except pray to heaven and ask God why he ever made us mainlanders. Was it something we did? Who can tell me the answer?

Socialism Strong Despite International Pressures

*91CM0037A Beijing SIXIANG ZHENGZHI
GONGZUO YANJIU [RESEARCH IN
IDEOLOGICAL-POLITICAL WORK] in Chinese
No 10, 8 Oct 90 pp 3-5, 35*

[Article by Xu Weicheng (1776 1919 6134): "Build a Socialist Ethics System With Chinese Characteristics"]

[Text] The situation on the country's ideological front is rather good today. One might say that achievements have surpassed those that most comrades predicted a year ago as being attainable within a year. One year ago we were also confident. We believed good ideological work could be done, and that most of the public and most comrades could be united to win a stable situation. But that such results could be attained within one year had not been envisaged. The need for national stability has become a consensus of an overwhelming majority of people today. Not only do workers and peasants feel this way, but intellectuals feel this way as well. This is to say that even a substantial number of students who were caught up for a time also acknowledge the need for national stability. In Beijing, some college students are not entirely satisfied with the policies and various measures we have adopted. They say that "these methods of yours cannot maintain stability. These methods of yours can only bring temporary stability; they cannot bring long-term stability." Such a formulation also recognizes the need for stability, and it is on this premise that they argue with us. One year ago, this was not the case. One year ago, some people said that a great upheaval throughout the country was a necessary condition for attaining great order throughout the country, and so on. Changes in East Europe had no small impact on China's internal situation. However, what most people say is "What with the changes in those countries, can China carry on? Will China change? Can China do anything but change?" The frame of mind is not one of hoping that China does what East Europe did. Our domestic cohesiveness is growing stronger. During this period, pressures from abroad and economic difficulties within, including putting down the disturbances and the ideological ripples following the riots may be said to have been fairly serious. Nevertheless, the people's cohesiveness has become stronger rather than weaker during the past year despite these situations. The people's confidence in our future has also increased rather than diminished. Internationally, the blockade and sanctions directed against us have gradually been broken. Internationally, a substantial number of people, both those who favor us and those who do not favor us, have seen that the sanctions against China were ineffective. Consequently, it was because the sanctions were ineffective that they had to be largely dismantled. The fundamental reason was that we are able to handle our domestic affairs well. Despite the sanctions, our export volume still increased, and our foreign exchange reserves still increased.

These changes in the situation result from the overall role of numerous factors. First of all, they are attributable to our party's policies, and to the correctness of numerous important decisions made since the Fourth Plenary Session of the 13th party Central Committee. They are also attributable to the great efforts made by our comrades in every way. These include socialist ethics concepts, which played a substantial role in providing impetus for a change for the better in the situation. I do not believe that our socialist ethics concepts can be easily destroyed. Numerous ideas have struck deep roots in people's hearts and cannot easily change all of a sudden. The ethical concept that plays the greatest role is patriotism. In 1989, some people began to sympathize with the fasting students, but as soon as the statue of the goddess was erected on the square, they suddenly changed. They felt that to bring the American Statue of Liberty to China was impermissible. Many people's understanding of the nature of the riots dates from their discovery that they were being manipulated by the Voice of America. They felt that Chinese should not be told what to do by Americans. Not everyone has a clear understanding of Fang Lizhi's ideas, but everyone feels that Fang Lizhi is a traitor to his country because he fled to the U.S. Embassy. Second, the Chinese differentiate between good and evil in their hearts; they use ethics as a yardstick for evaluating events. In recent years, many people have preached no need for ideas of good and evil, that evil is good, that there is no need to be concerned about a sense of shame, against being pressured by conscience, and so forth. However, most people still use ethics as the yardstick for evaluating events. Seeing those who perpetrated the disturbances, created rumors, uttered falsehoods, scrambled for power and profit, and instigated schemes and intrigues, many people did not want to have anything to do with them. This showed that ideas of distinguishing between good and evil that exist among the broad masses of people played a role during a crucial period. Third, the value concepts that most of the people caught up in the disturbances accepted in their heart of hearts were socialist, although not entirely scientific. What was it that most of those caught up in the demonstrations were dissatisfied about? Mostly corruption and unfair distribution. Such dissatisfactions do not spring from a capitalist standpoint, but from social justice. These people have lived in a socialist society for at least 20-odd years or even longer, and socialist value concepts that demand social justice have had a profound effect on them. It is simply that they did not realize that if China becomes a capitalist society, there will be an unlimited ballooning of corruption and unfair distribution. Naturally, most people also did not realize that continuation of the disturbances could bring about capitalism. All the disturbances were directed against our regime and our socialist system, but most of those caught up in them were not opposed to socialism, nor did they oppose our regime. The values held in their heart of hearts still stemmed from socialism. It is for just this reason that we can adopt policies for winning the unity of an overwhelming majority of people. One very important reason for the increase in social cohesiveness today

is greater confidence about the fight against corruption. People believe that we are determined, and they believe that an overwhelming majority of high-ranking cadres are honest in performance of their official duties. Naturally, this has a bearing on the decisive action we have taken. The change in people's thinking began, to a large extent, with propagandizing of the study of Lei Feng, and with the praise and propagandizing of a large number of progressive people and progressive deeds. As a result, people realized that our party and our society stand for collectivism and are opposed to selfish individualism. This feeling is very important. If public opinion is oriented totally toward "looking at everything in terms of money," that it is honorable to get whatever one can get by any means, and that individualism is reasonable, then no one will believe you if you say you are opposed to corruption.

In these regards, people realized that socialist ethics play an important positive role in our country's political and economic stability. This was also part and parcel of the efforts of our comrades in the ethics field.

China's current situation may be evaluated as follows: No social basis exists for the creation of a major upheaval in China in the foreseeable future. Of course, we still have to heighten vigilance, because troublemakers still exist and a small coterie of professional counterrevolutionaries has taken shape, that is, those who make a living from being counterrevolutionary. We must therefore remain very cautious and deal with them very conscientiously. We are capable of keeping China stable and of advancing China's modernization on this premise. In addition, we must also realize that the struggle against peaceful evolution will be long and daunting, and that, until the outcome of the struggle between socialism and capitalism is finally decided, this problem will exist for a long time. In particular, for a fairly long period of time, developed capitalist countries will have more money and be richer than we. This is because up until the present, the victory of socialist revolutions has been in the weak links of the capitalist chain, which is to say these victories have been won in poor countries. Although these countries developed very rapidly following victory, they are no match for rich countries. Given these circumstances, there are always some who envy others, and there are always some who constantly harp on the issue of socialism not being as good as capitalism. However, imperialism's intention to pursue a policy of peaceful evolution toward us is immutable. I recently read a report from a certain research institution in the United States on strategic issues of the 1990's and into the 21st century. It maintained that China will still not be a powerful country and will still pose no real threat to the United States, but it also maintained that China poses a potential threat to the United States. Because of the very rapid speed of China's modernization recently, China may pose a threat to the United States by the next century. For this reason, the report's policy recommendation to the U.S. Government was to carry out a soft policy of blockading

China. The tough blockade policy that the United States practiced during the 1950's will not work now and is ineffective; therefore, a soft blockade should be adopted. What is meant by a soft blockade? It means seeking various pretexts for keeping us down. This report raises some issues that are very deserving of attention. The reasons it gives for wanting to limit China have almost nothing to do with whether China practices socialism. Instead it says that China is a large country, and China wants to modernize, and that will not do. Today some people wonder naively and out of good intentions whether in longing for China's faster development our policies might be too tough. They feel that such policies might cause the Americans to blockade us, issue sanctions against us, and not help us. We should draw closer to the Americans, and then modernization can proceed somewhat faster. Actually, this is not the case at all. The Americans trot out the so-called human rights issue and the Wei Jingsheng [7614 0079 3932] issue, all of which are pretexts they have found. Their real reason is that they do not want China's modernization to proceed too fast. If they really do things on the basis of their so-called "human rights," then why was it that during the Tiananmen incident of 1976 they did not so much as fart? When "human rights" were destroyed during the Great Cultural Revolution and even the chairman of the country was done to death, why is it that they did not fart even once, yet are now concerned about the intelligence peddler Wei Jingsheng? China was unable to become strong and prosperous as a result of actions during the Great Cultural Revolution, but they did not feel that was so awful. Today China is reforming and opening to the outside world, and it is persevering in socialism once again. As a result, we are able to coalesce our strength to modernize China faster. The past 10 years have demonstrated our ability to do this. This is the basic reason. People want to keep us down because China is a piece of fat meat. China is a large market, and they want to do everything possible to get this huge China market in their clutches.

Hostile imperialist forces want to conduct peaceful evolution in socialist countries for the following several reasons: First is to counter the Third World and to counter the needs of developing countries. Why is it that developed capitalist countries are so rich while other countries are so poor, and the gap between the poor and the rich is widening? After deducting for so-called "assistance," there is an annual net outflow of more than \$50 billion from the developing to the developed countries. Why? Because of exploitation, because of exchange at unequal value. The developed countries want to maintain and develop this situation in the Third World, but the existence of the socialist countries poses an obstacle. When we put down the disturbances in 1989, virtually all the developing countries expressed support for us. This was because they need a strong and independent socialist China. China cannot allocate much money to help them, but because it exists as a socialist country, just a few sentences from China provide them very great support, and they have prospects and hope. The Third World

needs the existence of socialist countries; conversely, capitalism needs the nonexistence of socialist countries. Without them, they can more freely exploit the Third World. Second is the need to use the theme of opposition to socialism to keep their allies down. They want to force the Japanese and the Germans to do as they say. What reason can they use? Opposition to socialism. Using this as a pretext, they station troops in those countries to conduct "unified exercises," do not allow their so-called allies to do too well in business, do not allow them to develop too fast, and do not allow them to become too great a threat to the United States. The third necessity is to deal with their own working people. Nowadays some comrades say that capitalism has improved; it also has some welfare benefits. Where do these things come from? The working classes in capitalist countries use the rights that the working class in socialist countries have won as a model for carrying out struggle. So long as socialism exists, the bourgeoisie will have no choice but to yield concessions. The capitalists feel that such concessions are necessary in terms of their long-range interests, yet, in order to gain maximum profits, they are also unwilling to grant them. It is only because of the existence of socialism that they have to do as they do.

For these reasons, hostile imperialist forces will not change from the practice of peaceful evolution against socialist countries. This is because they have an objective need to do it. Therefore, we can only plan on waging a long struggle. This struggle will rise and fall, sometimes intensifying somewhat, and sometimes abating somewhat. At times, somewhat more people, and at other times fewer people will believe in socialism. When we handle our affairs somewhat better, the economy flourishes and we bring in consecutive bumper harvests, the number of those believing in the superiority of socialism will be somewhat larger. Should relatively large mistakes be made in policy guidance, or should fairly large natural disasters occur and times become hard, the number of people who do not believe in us will be somewhat larger. When imperialists are having a period of relatively peaceful development, somewhat more people will believe in them. When their internal contradictions become sharp and crises appears, the number believing in them will be somewhat less. There is probably a law governing such periodic rises and falls.

During this process, we are fully confident of being able to educate our people in staunch adherence to socialism. This is for three reasons: 1) The superiority of our socialism objectively exists; it is not manufactured. Socialism can concentrate forces to do great deeds, which is something that capitalism cannot do. From the closing years of the previous century China followed the capitalist road to develop industries that were capitalist in character. By 1949, after more than half a century, accumulated industrial assets totaled only somewhat more than 10 billion yuan in value. By contrast, during the past 40 years, we have accumulated assets of approximately 1.3 trillion yuan, more than 100 times the amount accumulated during that half century. Under

what conditions were they accumulated? In 1952, per capita living expenses were 76 yuan. It was from such a standard of living that we began to industrialize. Relying on our own strength, we accumulated more than 1 trillion yuan. Decentralized, we could not have done this. Only under socialism could we concentrate this strength. Consequently, our satellites were able to soar in the heavens, large oilfields could be opened, we were able to manufacture atomic bombs and hydrogen bombs; and we have airplanes, artillery pieces, tanks, and marine oilfields. Because our country has substantial strength, others cannot bully us. The more fair-minded people of the world also admit that we have done in these 40 years what it took the capitalist world 200 years to do. We have not been able to do in 40 years what they did in 400 years, however, so there is still a gap between us and them. Nevertheless, our superiority is unassailable. 2) Our socialism is in keeping with the interests of the overwhelming majority of the people. Although our total per capita subsistence value is still at the \$300 level, most strict economists throughout the world acknowledge that the general standard of living of our people is that of people in capitalist countries with an income of \$1,000 per capita, and some estimate it as being somewhat higher, possibly at between \$1,400 and \$1,500. The most conservative people, and those who despise us most, also estimate our standard of living to be at the \$700 level. No one says that the Chinese live at a \$300 standard of living. Nowhere in the world are there people at the \$300 level who are as well off as the people in our country. Therefore, were China to become capitalist, the total value of fixed assets would not change from 1.3 to 2.6 trillion yuan because of the practice of capitalism. No one in the world has this much money, nor can the Americans provide us with an investment of billions of yuan. Under capitalism, the standard of living of an overwhelming majority of Chinese living on \$300 would decline by at least half. For this reason, our socialism cannot be overthrown, because an overwhelming majority of Chinese will not permit it. When there is capitalism, inevitably two polarizations occur, namely a small number of people become rich, while the majority go hungry and cannot survive. So won't they revolt? Furthermore, only a socialist China under the leadership of the Communist Party of China can achieve national unity, prosperity, and tranquility. National prosperity and tranquility are not easily attained. Before the founding of the People's Republic of China, there was not a single day in this century when the country was without warfare. There was both foreign aggression and internal disturbances and no end to the internecine battles among the warlords. From the founding of the People's Republic back to the qing Dynasty, including the most prosperous periods of the Qing dynasty, there was no end to wars within China. What except the Chinese Communist Party-led revolution could bring this situation to an end? Should China take the capitalist road once again today, devolving into a vassal of imperialism, it would inevitably be rent with disunity and lack tranquility. No imperialist country can gobble up such a large country as China. Each imperialist country

can only meddle, buying over their own puppets. The imperialists would have to provide the money and the guns, and use Chinese to fight on Chinese soil. The result of this would not be just today's craze of tens of thousands of people wanting to leave the country, but the flight each year of several million people, disrupting the whole world. So, truly knowledgeable people are all in favor of China's stability. 3) Development of the situation throughout the world will be bound to provide us with more testimony. An example is the development of the situation in East Europe. An article in Hong Kong's MING PAO titled "4 June—A Year's Reflection," which was written entirely from the standpoint of the democracy movement partisans, analyzed, *inter alia*, events in East Europe, postulating two possible futures for East Europe. One was that the West would allocate large sums of money to help the East European countries shift to a different path. This would enable the economies of these East European countries to become colonial economies of the Western nations within a comparatively short period of time. At the same time, it would inevitably give rise to some compradors, who would certainly arrogate authority to themselves. Thus, the illusory democracy that now grips people's hearts would not exist. The writer of the article believes that this future is very unlikely to occur for the reason that the West cannot put up that much money. So all that can be done is allow the market mechanism to play its role in changing the economies of these countries. Under this scenario, within 10 to 20 years large numbers of factories will collapse, throwing large numbers of workers out of work; prices will soar, and there will be social disorder. He said that neither of these futures would be attractive to Chinese, and he is right about that.

(To be continued)

Cadres Urged To Study, Research Socialist Theory

90CM0386A Beijing LIAOWANG [OUTLOOK]
in Chinese No 31, 30 Jul 90 p 3

[Article by Zhao Yao (6392 2565): "Strengthening Study and Research of Socialist Theory"]

[Text] From now on, leading cadres at the county level and above are going to study and research several issues concerning socialism in a relatively systematic way based on the in-depth study of philosophy. The party's leading cadres at the county level and above will resolutely study socialist theory, use the Marxist stand, viewpoint, and method to analyze and understand important issues of socialism, unify the ideology of the numerous cadres and the masses, and further reinforce their confidence in building socialism. This is a matter of importance for constructing our party's ideology and theories, and is of great and profound significance.

Why should we particularly emphasize studying and researching socialist theory now?

First of all, it is necessary in order to build socialism with Chinese characteristics. Currently, the nation is in the midst of a great historical period of reform and construction. When summing up the historical experience of 40 years of socialism in China, it is recognized that the most important issues are as follows: First, the meaning of socialism and how to build it must be clarified. Second, the general theory of scientific socialism should be combined with China's concrete practices, in order to build socialism with Chinese characteristics. Socialism is not the exclusive product of any one nation, it is a worldwide phenomenon. On the other hand, building socialism is also a concrete action. In the first place, the proletariat and broad masses in different nations carry it out within their own countries. Also, conditions change and vary greatly from nation to nation. Thus Marxist political parties in each nation have to proceed from the realities of their own country and explore the route and shape of socialism with national characteristics, while adhering to the basic principles and fundamental character of socialism. Integrating the general principles of Marxism with a nation's specific practices and travelling one's own road is the true essence of socialism's success and victory. Under the guidance of Comrade Deng Xiao Ping's theory on building socialism with Chinese characteristics, tremendous historical achievements have been made in China's socialist undertaking since the Third Plenary Session of the 11th CPC Central Committee. Our country's socialist cause can be further advanced only if leading cadres at all levels resolutely study and research the theory of scientific socialism, particularly the theory of building socialism with Chinese characteristics, and master the laws of socialist construction and reform.

Second, it is necessary in order to meet the severe challenge facing socialism and to strengthen public faith in socialism. The 20th century has been the greatest century yet in human history. It was during this century that socialism was transformed from an ideal into reality, and its practice spread from one nation to many nations. Socialism has advanced along a rough and tortuous road, opening up the greatest transformation of human society in the course of history. The practice of socialism in the 20th century indicates that socialism will naturally replace capitalism, however, this will be a long, historical process. As Lenin pointed out, "History moves in a twisting and roundabout way." The development of socialism is like that of capitalism: it is exceptionally complex, long term, arduous, and follows a twisting path. It cannot always sail smoothly onward or press forward directly. It will experience many repeated shifts between high and low tides before it can attain its final victory. The first half of this century saw great, victorious advancements in socialism and two socialist upsurges. Yet, for various reasons, it has gradually ebbed in the latter half of the century. In the first half of 1989, China experienced a political disturbance. In the second half of that year, the political situation in some socialist countries suddenly became turbulent, which left many people perplexed and doubtful. The group of questions

raised by the current situation include the following: Is the dominant tide and trend in the world socialism or capitalism? Where are the contemporary world and China heading? Does the socialist system actually have superiority and vitality? Why is capitalism still showing an impetus for development in its "moribund" stage? Can the socialist banner flutter forever over China? We must explain and resolve these questions scientifically and clearly, and study and master the theory of scientific socialism.

As early as half a century ago, Lenin pointed out that, as the situation changes and develops, "different aspects of the living theory of Marxism must be given different, respective priorities." Presently, the general international situation has become more relaxed and less tense, yet the world is not quite peaceful. Hostile international forces are taking advantage of reform and temporary difficulties in socialist nations and engaging in peaceful evolution on an even larger scale. The major method of their "evolution" efforts is to take the offensive against socialism in the ideological sphere. They strenuously propagate such cliches as "Marxism is an out-dated theory," "Socialism is a failed theory," "Communism is a dead theory," and "Capitalism is a theory that has been regenerated." This tells us that the contemporary world situation has pushed the Marxist theory of scientific socialism to the most important position. Therefore, leading cadres at all levels must pay special attention to studying and researching socialist theory. In their studies and research, they should combine theory with reality, and should accordingly select works and treatises on scientific socialism by Marx, Engels, Lenin, and Mao Zedong, and also select works and treatises concerning building socialism with Chinese characteristics by Comrade Deng Xiaoping. By studying and researching socialist theory, they will correctly understand and handle a series of current, basic issues about socialism. They can criticize all of the absurd bourgeois theories negating socialism, and strengthen their confidence in taking the socialist road.

It is the people's choice that China take the socialist road, and it is historically inevitable. Although many faults have occurred during China's 40 years of socialism, unprecedented achievements have also taken place. Regardless of how changeable the world situation may be, the Communist Party of China will lead the Chinese people consistently down the socialist road, persist in focusing on economic construction, uphold the four cardinal principles, support reform and opening up, and follow a socialist road with Chinese characteristics. This will build China into a modern socialist nation that is prosperous, strong, democratic, and cultured. China is a large socialist country. China's adherence to and building of socialism will not only contribute greatly to China's history, but to the cause of world socialism.

This is the last decade of the 20th century. Mankind will leave the 20th century behind and enter the 21st century. The coming 10 years will be a particularly important decade in socialist development. As socialism advances

toward the 21st century, it faces stern challenges. We firmly believe that socialism will triumph over these challenges through its persistent struggles. By constantly summing up and accumulating experience, socialism will gradually mature and be perfected, and will win new and greater victories in the 21st century.

Democracy Movement, Theory Crisis Discussed

90CM0328A Hong Kong PAI HSING [THE PEOPLE] in Chinese No 220, 16 Jul 90 pp 30-31

[Article by Chen Hsuan-liang (7115 1357 5328): "The 1989 Democracy Movement and China's Theoretical Crisis"]

[Text] *Editor's note: Chen Hsuan-liang was originally a philosophy professor and translator of Sartre's Being and Nothingness. He instinctively felt the need to participate in the 1989 Democracy Movement in Beijing. After a warrant was issued for his arrest, he went into exile in France. This article represents an intellectual's introspection concerning the events of 4 June.*

Refuting Someone by Using His Own Arguments

In ancient China, at the end of the Shang dynasty and before the Zhou, two sages emerged: Boyi and Shuqi. Because they would not eat Zhou grain and starved to death at the foot of Yang mountain, now, thousands of years later, we consider them pedants, without distinguishing right or wrong. Zhou Wuwang suggested using orthodox principles to defeat Zhoudi, but Boyi and Shuqi blocked his lead. For this act, they have been considered both foolish and loyal; as a result, they have been praised for their loyalty and ridiculed for their foolishness. People do not often really consider the reason they blocked Wuwang's lead.

Boyi and Shuqi believed that the primary problem with Zhou Wuwang subjugating Zhoudi was that "replacing violence with violence surely was recklessly doing evil!" The problem did not lie with whether Zhou Wuwang was raising troops in the name of orthodox principles, it lay with the method of "raising troops." They used violence to replace violence, and yet they considered themselves just. They could only give one logical argument for this, and that was that they used violence in order to ultimately renounce violence. This argument is based on the premise that violence could itself change into non-violence. Yet if violence could change into non-violence, where does your argument of using violence to replace violence come from? Is it possible that only your violence can in fact become non-violence, while others' violence certainly cannot change? Why should people believe only you?

Cases in which one refutes someone by using his own arguments all contain this type of contradiction.

To a very great extent, the 1989 democracy movement used the theoretical weapons of the Communist Party to attack the party itself, using its theories against its

practices. In terms of Communist Party rule, this is perhaps the most dangerous thing, because any weapon is its own most dangerous enemy. Refuting someone by using his own arguments is the easiest way to set a deathtrap for the enemy.

In reality, however, this presents a real crisis for the progress of China. Any social revolution should involve changes in the social system and ideology. With regard to present-day China, if there is no change in the system, in the one-party monopolization of power by the Communist Party, or in Communist ideology, it will not be possible to realize genuine democracy or have real modernization.

Refuting someone with his own arguments could perhaps result in the "overthrow" of the Communist Party, but would those replacing the party be able to bring democracy and modernization to China? If those replacing it only use the party's own theories to attack it, then one could almost state affirmatively that, even if the Communist Party's political power collapsed, the newly-established regime would only be autocrats with different names who would merely establish an autocratic system in China that was the same as the Communist Party regime.

Without freeing themselves from the set theoretical and ideological patterns of the Communist Party, the Chinese people cannot genuinely raise their fighting level.

What occurred in Beijing in the spring of 1989 was a movement which genuinely demanded democracy: there is not the slightest doubt about this. However, it was far from mature in terms of theory, so much so that one might well say it was brimming with confusion: there is also little doubt of this. Calling it a democracy movement refers to its actions and not so much to its theories (if it had a theoretical message), guiding ideology, or the essence of its demands as reflected in its slogans.

Forty years of high-handed rule and compulsory ideological education by the Communist Party of China have succeeded in transforming the theoretical ideas, mode of thinking, concepts of moral values, normal modes of behavior, and even the habits and customs of the Chinese people into those of the Communist Party. That the 1989 democracy movement, which was an unprepared and spontaneous movement, should produce confusion at the theoretical level is completely natural. However, sorting out this confusion is also extremely necessary for China's future.

A Rebellion Conducted While Kneeling

The slogans that most reflected the fact that the 1989 democracy movement was indeed a democracy movement were the university students' demands for freedom of association and a lifting of restrictions on the press. If we distill these slogans from a theoretical viewpoint, these demands require establishing a truly democratic system by using methods such as establishing opposition parties and bringing politics out into the open, and thus

exercising effective controls over political power. This implies that the Communist Party abandon its one-party monopoly and no longer guide according to so-called socialism, dictatorship of the proletariat, Marxism-Leninism-Mao Zedong Thought, etc.

Logically speaking, after taking these demands as premises, the other demands of the democracy movement—the hope to establish an even more effective government (impeaching the government of Li Peng), strict punishment of official profiteering, further deepening of reform, and carry out reform in a more orderly fashion—should be the natural results which emerge due to the implementation of democratic controls.

Yet on the other hand, the single most basic demand of the university students was that the Communist Party "recognize" their movement as patriotic.

If the demand is for a democratic system, then, under a democratic system, the program and actions of one political power do not need the "recognition" of another faction. The demand for recognition shows that a faction itself recognizes that the other party is the only legitimate party. For this reason, this demand profoundly reflected the fact that the student movement basically had no desire to share political power with the Communist Party. In terms of their original meanings, the demands of the students for freedom of association, speech, and the press were to protect themselves. This type of demand was really quite far from the establishment of a democratic system.

This is not a criticism of the significance of the university students, because without this recognition, they would have had no assurance of their right to exist. This was a demand that the one-party dictatorship really compel people to act.

Anyhow, under this premise, logically speaking, the hope of establishing an effective government was only the hope that the Communist Party regime would be even more consolidated, and that its domination would be even more efficient. The demand to punish official profiteering was also merely a demand for honest government under autocratic conditions, and the demand for honest officials was not a demand for a structure with supervisory rights. This was only a rebellion conducted while kneeling.

One of the 1989 democracy movement's most appealing slogans opposed official profiteering. In its most basic sense, this slogan could be understood as opposing special privileges, preserving social justice, demanding equality, and demanding competition based on fairness. However, problems of special privileges and social justice are institutional problems. If opposition to official profiteering is really a democratic demand aimed at safeguarding social justice, it should naturally lead to a change in the political structure in which the dominant power of the Communist Party is unsupervised, and to

the implementation of democratic politics, such as judicial independence and multi-party competition. This is a platform for dismantling autocratic political power.

Yet the students' demands were only to "strictly punish" official profiteering. In this case, it would have been better to demand rationalization of the autocratic system rather than democratization. In this sense, demands to oppose official profiteering were not in fact a platform for dismantling the "socialist system" or "the dictatorship of the proletariat," but a platform benefiting them.

During this entire period, university students clung almost obstinately to the principle of refusing contact with high-level party figures. This seems quite incomprehensible.

This was not merely because university students lacked political experience. They stood unwaveringly by the no-contact principle because they wished to preserve the purity of the "student movement." They feared that the Communist Party would criticize their movement as being manipulated by an "evil hand."

In the vocabulary of the Communist Party, the "masses" or "university students" are more or less sacred words, although they are also ignorant synonyms, because they are always easily "stirred up by others" and "used by others." For this reason, if there were a purely student movement, then first, it would be easy for the Communist Party to consider it a "patriotic" movement; this is important to the safety of the participants. Second, the university students wanted to clearly show that they were acting on their own and were not being manipulated.

The students could hardly realize that this was exactly what the Communist Party of China wanted, because an alliance with the high-level reform faction within the party would have been the easiest way for this movement to obtain real results. The 1989 democracy movement maintained the purity of a university student movement, but sacrificed the goal of the movement itself.

A consistent life-and-death struggle which diametrically opposes the Communist Party would also adhere unconsciously and tenaciously to concepts instilled by the Communist Party. If we think according to the Communist Party's mode of thought, clearly it would be very difficult for us to know whether or not such a struggle could achieve victory.

Numerous other contradictions of this type could be mentioned.

That this type of great movement, which will remain a glorious page in the history of China's democracy movement, had its beginning in mourning for a leader of the Chinese Communist Party, the most autocratic regime in China's history, is in itself a profound absurdity.

The Theory of a One-Party Autocracy Should Be Thoroughly Purged

Why did the 1989 democracy movement not have any clear goals or understanding, and why did it involve resolute but blind action?

There was no clear understanding because there was no mature theory acting as a guide. We might say that the movement burst forth in an unplanned manner. However, this statement is made conditionally. It clearly had no organizational preparation, but it was a product of the influence of enlightened trends of thought produced by 10 years of reform and opening up, and so it had some preparation in terms of ideology.

However, ideology was precisely the key factor in its failure. Consequently, we must conduct a thorough self-criticism of these 10 years of enlightened trends of thought.

The failure of the 1989 democracy movement clearly illustrates that the Chinese people do not clearly understand the goals they seek, the Communist Party of China, or the affect of the party on these goals.

In reality, the Chinese people's understanding of what social justice or fairness is comes from the Communist Party and its propaganda. The Chinese people have obtained a promise of prosperity from the Communist Party, and the criteria of that prosperity are also set by the party. It is the fact that the Communist Party does not practice its theories or fulfill its promises that has led to people's dissatisfaction and even dislike. For this reason, how can it be a mature and clear approach when people use the Communist Party's theories to oppose its practices?

This type of understanding could not have been produced during the movement period; it should have been the work of the period of enlightenment. Yet if we look back briefly at the 10 years of the ideological liberation movement, we immediately discover its fatal weakness: it imported and introduced many Western ideas and devoted itself to critiquing Chinese historical traditions. Yet when it came to the Communist Party's real ideology, the so-called "Marxism-Leninism-Mao Zedong Thought," people were touched emotionally and did not proceed seriously. It became a theoretical danger zone for people.

However, these kinds of theories are the core content of Communist Party education, and are continuously instilled in people from early on. Consequently, the party's principles, concepts and values, and the modes of thought it uses have already become an unconscious way of thinking for people. In addition, this ideology is precisely the ideological base for the Communist Party's autocratic rule. The basic task of ideological enlightenment should be to expose and criticize this fact, because only by thoroughly critiquing this can a new, democratic system actually be produced in China.

The 1989 democracy movement clearly illustrated that the Communist Party already finds itself in crisis, and the depth of this crisis is manifested in the fact that the Communist Party's theories have become a weapon used against the Communist Party's practices.

In reality, the Communist Party's all-pervasive strict control over the Chinese people has already transformed all the current crises facing China into crises of rule and of politics.

However, when the party is already in a crisis and pulls the Chinese people into a crisis, if the Chinese people do not shake themselves free by actually finding a theoretical weapon different from the Communist Party's ideology and different from its mode of conduct, then the Chinese people's situation can never be restored.

The democracy movement did not itself approve any slogans advocating "Down with so-and-so," nor did it approve the slogan "Down with the Communist Party." The essence of democracy lies in the fact that any person or political position has the right to exist. For this reason, when talking about the democracy movement, not mentioning the slogan "Down with the Communist Party" is more thorough than mentioning it. However, we must avoid a contradictory statement. Democracy cannot allow autocracy to exist, because if autocracy exists then democracy does not exist. The Communist Party, which takes one-party dictatorship as its guiding principle, absolutely cannot be permitted to exist in democratic politics.

The theories and ideology of the Communist Party, which take one-party autocracy as their core, must be thoroughly exposed and criticized. Essentially they should be critiqued negatively. There can be no tolerance.

Mao Zedong's Worries in His Final Years

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[Article by Lei Guozhen (7191 0948 3791), Hunan Provincial CPC Committee Party School; Hu Xueju (5170 1331 5282), responsible editor: "Mao Zedong's Troubled Mind in His Later Years"]

[Text] Mao Zedong was a worrier. In his later years, his concern grew deeper and deeper. Since he was both leader and citizen, both a great man and an ordinary mortal, his intensifying concern as he got older assumed some unique characteristics. He was both troubled by misfortunes in his personal life and concerned about the future of the nation and the destiny of the people. This article proposes to analyze not his sadness over his personal life, but his social psychology of concern for the destiny and future of the nation and the people.

I

As a leader and a great man, what troubled Mao Zedong in his later years about the motherland's future and the people's destiny? There are mainly three points.

1. The elderly Mao Zedong was concerned about the nation's security and independence. Further, he worried that imperialism and hegemonism would soon launch a world war. Accordingly, he called on the people to assume that imperialism and hegemonism would launch a big nuclear war soon.

The founding of the PRC symbolized that the Chinese people had stood up, that the long history of the Chinese people being humiliated, invaded, and pushed around had come to an end. However, the founding of an independent and self-supporting New China did not mean that the independence and security of the new state would henceforth be guaranteed. On the contrary, because of the fundamental opposition between socialism and capitalism, international capitalism always looked for ways to subvert and sabotage the PRC. When their threats of war, armed subversion, and economic blockade all came to naught, they adopted a new strategy, namely "peaceful evolution." They pinned their hopes of changing the face of China on the nation's third and fourth generations. At the time, Mao Zedong reminded the entire party and the entire nation not to "sleep with the pillows piled high."¹ They must be vigilant all the time and stop the imperialist "peaceful evolution" conspiracy. During the last 20 years of his life, Mao Zedong was especially sensitive to "peaceful transition" and "peaceful evolution."

In the mid- and late 1960's, the threat posed to China by the deteriorating international situation, by imperialism, and by hegemonism made Mao Zedong worry profoundly about national security and independence and think about war in a special way. After concluding that a new world war was inevitable, he hoped that it would happen sooner to minimize China's losses and create a better international climate and situation for China's modernization. He hoped that the Chinese people would get ready for war and make "war preparation" their top strategic priority.

2. What troubled Mao Zedong most in his waning years was that China would reenact the historical tragedy of "being backward and vulnerable to attack." On the other hand, he also worried that if China became wealthy, it would turn revisionist.

With its 5,000-year-old civilization, the Chinese nation once stood at the forefront of world development and made colossal contributions to advancing world civilization. In modern times, however, China began falling behind, which caused its people to be humiliated and to do some soul-searching. They learned lessons of blood and fire. They were also energized. In summing up the experience and lessons of this era, Mao Zedong noted grimly, "With the exception of the War of Resistance Against Japan, why wasn't there a single war which did

not end with China being defeated and signing a treaty of national betrayal and humiliation? The reasons are that, first, the social system was corrupt, and second, the economy and technology of China were backward." He further pointed out, "If we do not do everything we can in the next few decades to completely end China's extreme economic and technological backwardness compared to imperialist nations, we will inevitably be pushed around."² To make absolutely sure that the historical tragedy of "being backward and vulnerable to attack" would not be repeated, Mao Zedong still made the development of social productive forces a priority in his later years, devoting the time and energy of the last 20 years of his life to searching for a way to develop social productive forces that was consistent with China's circumstances. However, because of the constraints of historical conditions and subjective factors, Mao Zedong never managed to find such a way. And when his subjective wishes clashed with objective realities, his concern to have China avoid "being backward and vulnerable to attack" became an impatience for quick success. This was Mao Zedong's misfortune and tragedy. It was also the misfortune and tragedy of the entire party and the whole nation.

Even as he spent his last years worrying that China would reenact the historical tragedy of "being backward and vulnerable to attack," Mao Zedong was also concerned that "wealth would become revisionism." In his twilight years, he came up with the utopian idea of achieving the transition to communism even while China remained poor. Why did he put forward such a notion? One important reason is that he worried that once the development of social productive forces took off in China and the people became rich, it would be more difficult to effect the transition to communism. He said, "Once we are rich, things would not be too encouraging. China is not rich now. When it becomes rich in the future, things will certainly go wrong."³ To lessen the difficulties of and resistance to the transition to communism, Mao Zedong thought that nothing could be better than bringing about the transition sooner, when the Chinese people were still mired in poverty.

3. A striking expression of Mao Zedong's worry in his later years was his fear that "the party would turn revisionist" and the "nation would change color." A great Marxist, Mao Zedong spent his entire life pursuing and believing firmly and punctiliously in Marxism, and he made it his mission to defend its purity. At the same time, he was extremely concerned about the emergence of revisionism in the world and the low standard of Marxist theory within the CPC. To him, only a handful of the hundred or so communist parties in the world truly practiced Marxism and only a few people inside the CPC "understand Marxism. It would be great if 200 cadres genuinely understood Marxism."⁴ If we put together his assessment of the international communist movement and the situation within the CPC and his lack of a scientific definition of "revisionism," we can see why he asked more than once, "Revisionism has

appeared in the CPC Central Committee. What are you going to do?" This makes it clear that he was worried that "the party would turn revisionist."

The establishment of a socialist system in China embodied Mao Zedong's brimming righteous ardor. The establishment of a socialist system inevitably raises the question of how to consolidate socialism, one of the many questions Mao Zedong must have considered at length. He reminded the whole nation, "The new social system has just been established. It needs a period of consolidation. Do not think that once it is in place, the new system will be firmly entrenched. That would be impossible."⁵ In his opinion, old hostile forces inside China could revive and new hostile forces might grow endlessly. All this might impede the consolidation of the socialist system. He drew an important conclusion from these events, "The restoration of capitalism lives on under socialism." Thus, another of Mao Zedong's concerns in his old age was how to prevent the restoration of capitalism in China.

II

Mao Zedong wrote on 1 December 1958, "There has never been a true spirit of happiness who was totally carefree, without any fear or worry. Everybody is born with worry."⁶ The sense of concern in the elderly Mao Zedong was both a continuation of the tradition of concern among patriots in Chinese history and a refinement of the concern for the nation and the people that he displayed as a young man and in his middle age.

Patriots in Chinese history, including Qu Yuan [1448 0628], Su Shi [5685 6524], Lu Yu [7120 3266], and Fan Zhongyan [5400 0112 3238] had written numerous poems expressing their concern about the nation and people. Their concern was a powerful centripetal force under the historical circumstances of their time and formed an inseparable ideological base for the Chinese nation over the millennia. They were also an outstanding part of the legacy of traditional Chinese culture that Mao Zedong inherited and furthered. Even in his youth, Mao Zedong already enjoyed reading *Sensational Statements on the Flourishing World* [*Changshi Weiyan*], a chronicle of imperialism humiliating China. Mao Zedong said, "When I came across this history, I felt very worried about the future of the motherland. It began to occur to me that fighting to save the nation is everybody's vocation."⁷ As a student at Dongshan Elementary School, he wrote *Collected Writings on Plans To Save the World* [*Jiuguo Tucunpian*] and was praised by a person of insight as "someone to help build the nation."⁸ From ancient sages and the fine Chinese tradition Mao Zedong derived a sense of concern. Even then he "did not have a dime in hand but was concerned about the whole world." When he embraced Marxism and became a professional revolutionary, his concern was sublimated endlessly and became part of the force that drove him to liberate the Chinese nation and contribute to the cause of the Chinese people.

Up to a point, Mao Zedong's concern about the nation and the people was translated into action in his old age. He remained concerned for the future of the motherland and worked hard to relieve the people's suffering. Moreover, he went further than patriots in years past. Patriots in history stood aloof and observed with the detached eye of a third person, mourning the misfortune of the nation, people, and rulers of their time and feeling angry with them for letting them down. Mao Zedong did not and could not do that. In his old age, he, the long-time paramount leader of the party, the nation, and the people, consciously and closely linked his concern to the future and destiny of the party, the nation, and the people. This is highly commendable. The sense of concern of patriots in years past did not and could not reach such heights.

Judging from the relationship between Mao Zedong's concern in his old age and that of patriots in history, as well as his concern when he was a young man, we can safely conclude that the former was invariably influenced by the latter. And when we shift attention to his sense of concern in his old age and think about it rationally, we can detect in it many gems that still have instructional significance today.

First, Mao Zedong's sense of concern in his old age reflected his profound farsightedness and unique leadership qualities as a proletarian revolutionary and strategist. From the above analysis, we can see that his sense of concern in his old age was highly diverse, yet what best reflected its nature was its starting point, namely his worry about preserving the independence and security of the nation as well as its prosperity. There is an ancient Chinese saying, "He who is unconcerned about the future will soon have cause to regret the present." A proletarian revolutionary and strategist should be prepared for danger in times of peace, he should anticipate what is to come, and his sense of concern should be prophetic. If leaders feel concerned about a danger or difficulty after the danger or difficulty has appeared, the consequences would be disastrous. The starting point for Mao Zedong's concern in his old age was national security, independence, and prosperity. In thus feeling concerned, he was also looking ahead and being farsighted. All this proves that he was worthy of the title of proletarian revolutionary and strategist.

Second, put Mao Zedong's sense of concern in his old age in the context of his time and we will see that it mirrored to a certain extent the pitfalls objectively in existence then. The later years of Mao Zedong coincided with the first two decades of the initial stage of socialism in China, an era replete with worrisome things. To begin with, after the 1950's, imperialism shifted its strategy toward China. Instead of concentrating on military subversion and economic blockade, now it focused on peaceful evolution in an attempt to "win without fighting a war." It also pinned its hopes on the third and fourth generations of CPC members and the Chinese people. Next, China was still in the initial stage of socialism and social productive forces were still at a

relatively low level. The Eighth National Congress of the CPC made the right strategic decision of redirecting the focus of work to economic construction. But how was the shift to be accomplished? How to bring about economic construction? These were brand-new issues facing members of the CPC, including Mao Zedong. Last, ugly phenomena like corruption, waste, and bureaucratism did indeed exist in China and within the party to a certain extent, which not only corrupted the body of the party but also damaged the relations between the party and the masses. The presence of these worrisome things could not but be reflected in Mao Zedong's concern.

Third, in a certain sense Mao Zedong's sense of concern in his old age had a sobering effect on the people by waking them up to the dangers in real life. Since the Third Plenary Session of the 11th CPC Central Committee, the Chinese people have made achievements attracting worldwide attention under the leadership of the party. As a result of this performance, some people have become complacent and blindly optimistic, not fully aware of the long-term and arduous nature of reform and the open policy and the difficulties of and resistance to reform, the open policy, and upholding the four cardinal principles. When we recall Mao Zedong's sense of concern in his old age, we cannot but blush with shame. And when we are confronted with difficulties in real life, we must sober up at once and make a huge effort to overcome them.

III

There is no denying that there are certain things about Mao Zedong's sense of concern in his old age that are not totally desirable and have had negative effects on our party and nation.

First, concern is the expression of a certain social psychology. It is a social consciousness, unsystematic and amorphous, formed spontaneously in the course of daily life and intercourse. The spontaneity, lack of organization, and amorphyousness inherent in a sense of concern can be seen in that of Mao Zedong in his old age. In particular, Mao Zedong's sense of concern developed at a time when his guiding thought leaned more and more to the left. Thus we cannot but admit that while his sense of concern in his old age reflects to a certain extent objectively existing difficulties, by and large it was more emotional than rational, more passionate than calm, more imagined than real, and, in the final analysis, more subjective than objective. Gradually, it gave rise to a vicious circle: situation not clear—subjective and arbitrary suspicions about everything—laden with anxiety—acting rashly—historical tragedy.

Second, there is an element of self-contradiction in Mao Zedong's sense of concern in his old age. As the inconsistency intensified, he was torn in different directions and his sense of concern became untenable. Superficially, on the one hand his sense of concern reflected the difficulties that existed in objective reality. On the other hand, it was indeed highly arbitrary and subjective. If we

mull over it at a deeper level, that is, if we analyze its substance, we can readily discover its inconsistency. For instance, he was extremely worried about China's poverty and backwardness. Yet he also took pride in being poor. He hoped the Chinese people would become rich as soon as possible, yet he also worried that "once China becomes rich, things would go wrong." He made strenuous efforts to prevent imperialist "peaceful evolution," yet he knew China could not isolate itself from the rest of the world. All this made him contradict himself in some ways, ultimately putting him in an awkward position from which there was no way out.

Third, the subjective and arbitrary nature of Mao Zedong's sense of concern in his old age has had some negative effects on the cause of the party, the nation, and the people.

The subjective and arbitrary nature of his sense of concern in his old age was the political philosophical base for his longstanding insistence on "taking class struggle as the key link" and trying mightily to rely on mass political movements to solve all problems in China.

In the last 20 years of his life Mao Zedong insisted time and again that class struggle was the primary struggle in Chinese society and launched one large-scale political struggle after another. Consequently, the social class struggle expanded and the intraparty struggle took on the characteristics of a class struggle. In his later years, he removed from power some of the old comrades-in-arms who had fought alongside him for years and leveled unjustified criticisms at a number of cadres and intellectuals who had rendered great service to society and the people. From these events we can see that all the unorthodox moves made by Mao Zedong in his later years invariably had something to do with his sense of concern. First, he worried that revisionism would emerge within the CPC and that capitalism would be revived in China. That is why he had to come up with a way to eradicate the soil that would give birth to revisionism and restore capitalism. Because he was suspicious of everything, his sense of crisis became more and more overwhelming. And when orthodox methods failed to solve what he thought were problems that must be solved, he resorted to unorthodox but what he considered effective measures. Second, the subjective, arbitrary, and self-contradictory nature of Mao Zedong's sense of crisis in his old age explains why, in his later years, he wanted to develop social productive forces, on the one hand, but could not find a proper way to do so, on the other. As mentioned above, he worked hard to put an end to China's state of "poverty and blankness," hoping that China could achieve the great ambition of

"overtaking Britain and the United States" in his lifetime. On the other hand, he wanted to avoid complicating the transition to communism once the Chinese people had gotten rich. So he used all noneconomic methods to develop the economy, such as revolutionary mass criticism, and used the class struggle to drive the development of productive forces, going so far as to regard the Cultural Revolution as a powerful engine for the development of social productive forces in China.⁹ On the other hand, at a time when the productive forces remained very backward, he sought to change the relations of production, heightening the incongruity between the backwardness of productive forces and the advanced nature of relations of production. Practice proves that using these measures to develop social productive forces not only fails to achieve the expected results, but will, on the contrary, hamper the normal development of social productive forces. Third, Mao Zedong's war worries in his later years distorted the national economic strategic layout. By grossly exaggerating the inevitability of war and consistently making "war preparation" his top priority, Mao Zedong disrupted national economic strategic planning. A number of enterprises situated in accessible places were relocated to inaccessible areas and some factories and mines originally situated in cities with ready access to transportation were moved to remote mountain areas. The result was that these concerns were not put to the best use.

In short, we should neither throw out the baby with the bath water—totally repudiate Mao Zedong's rich legacy of sense of concern—nor embrace it lock, stock, and barrel without a careful analysis. Instead we must absorb its scientific elements using a scientific attitude and put them to work for the great undertaking now under way.

Footnotes

1. *Selected Readings From Mao Zedong's Works*, Book 2, p. 773.
2. Ibid., pp 848-849.
3. Quoted in *Mao Zedong's Life as a Student*, p. 34.
4. Ibid., p. 173.
5. Mao Zedong's speech to the CPC National Propaganda Work Conference in 1957.
6. *Selected Readings From Mao Zedong's Works*, Book 2, pp. 807-808.
7. Quoted in *Mao Zedong's Early Revolutionary Activities*, by Li Rui [2621 3843], p. 7.
8. Ibid., p. 11.
9. "Decision of the CPC Regarding the Great Proletarian Cultural Revolution," 8 August 1966.

NATIONAL AFFAIRS, POLICY

Yang Qixian Examines Proper Economic Strategies

90CE0454A Chongqing GAIGE [REFORM] in Chinese
No 4, 20 Jul 90 pp 7-11

[Article by Yang Qixian (2799 0796 0341): "Deepening Reform Is the Realistic Way Out of Our Economic Difficulties"]

[Excerpt] [passage omitted] Due to many new and old contradictions interlaced throughout China's economy, the problems are complex, and views differ. For many years, our usual economic problem has been recurring inflation; the current serious problem of weakness is basically new. Therefore, although we have some experience with controlling inflation, we have never had to resolve weakness. So how are we to get through our current difficulties? There are three different modes of thinking on the subject.

Reviewing the past year's work of improvement and rectification, we see that the series of tight macroeconomic measures put in place to overcome economic overheating and inflation have been effective. The economy is clearly more stable now than it was in 1988, and although the income of both urban and rural residents is actually a bit less, it is not that much less; many people still feel fairly treated and relatively satisfied, and therefore can go on with what they do. As for the contradictions that exist, we can differentiate between different situations; thus, we can choose some appropriate fine-tuning measures. If an industry is moving too slowly, appropriate increases in the liquid funds can be put into it, increasing production as much as possible; if an enterprise is over-producing, state-run distribution agencies can maximize their reservoir function by increasing their purchases; if there are impediments to product sales, rewards can be used as an incentive to promote sales, or there can be an appropriate expansion of the scale of investment; for commercial or industrial enterprises which are bearing too heavy a burden, interest rates on deposits can be lowered appropriately, decreasing the ratio between increased interest and penalty interest; for enterprises which are halting or slowing down production, there are countless organizations which can go into operation, guaranteeing the basic wages or living expenses of the workers, etc.

The advantage of these methods is that they help maintain the current stable situation, preventing the social problems that accompany an unstable economy. Their disadvantage is that they do nothing to promptly reverse the current problem of a slumping market combined with too slow an industrial growth rate; indeed, they could even drive the economy into a lengthy period of slow growth and stagnation.

The major cause of the market slump and the slow industrial growth rate is that, ultimately, there is not enough of what we need. Starting in the third quarter of

last year, a wide range of pressures sent the market from prosperity to weakness, and by the end of the year the value of stored goods nationally was more than 100 billion yuan over what it had been the year before, more than could have been supplied over a long period of time in the past. This resulted in expanded reserves and overstocking. This year, according to the officially announced national plan, production is to increase by five percent, roughly equivalent to an 80 billion yuan increase. But demand and the scale of investment only preserved the same amount as last year's projects, which is not an increase when calculated using comparable prices; after deducting price rises as a factor, consumption will also be more or less the same as last year. There could be some increase in exports, but it would be very difficult to wipe out the entire 80 billion yuan production increase in this way. Put another way, if this year's planned five percent economic increase is realized, there will be a very slight chance of decreasing the total volume of last year's more than 100 billion yuan's worth of stored goods. If some new measures are produced in the next few months our reserves could increase further, making any significant resolution to the market slump very difficult.

This situation could bring some problems with it, found in two areas: one is that industrial production might not complete the plan, making it hard to resolve the problem of enterprises halting or slowing down production; the second is that certain economic organizations could find things even more troublesome. In order to maintain the current stability, there are numerous things that can be done for those enterprises that are halting or slowing down production, in order to assure their workers a source of basic wages or living expenses. For more than half a year, things have in general been done this way everywhere. But the necessary outcome must be that "egalitarianism" and eating from the "big iron pot" in allocations will become more serious, with economic institutions and organizations finding it impossible to make logical adjustments. This will certainly lead to rising prices and lower profits, with large-scale increases in deficits and subsidies. Finally, everything is concentrated to reflect national public finance, incomes cannot go up, expenses cannot go down, the gap between income and expenses will grow steadily larger, with even more difficulties for the overall economy. When the economy becomes too weak, this could become a new destabilizing factor.

The second way is to touch off some needed stimulation, especially needed investment, forcing the economy to start up more quickly.

One of the main causes of the weak market at present is that there is insufficient demand: because this insufficiency brings with it a slide or slow growth in industry, if it is not resolved very quickly, it will not only effect fulfillment of plan, it could also bring with it structural worsening and declining efficiency, leading to the overall economy showing stagflation which should not be there. Therefore, we should increase investment rather a lot,

especially investment in capital construction, which will be beneficial in improving enterprise structure, and also possibly rapidly increase the investment supplied to technological transformation. At the same time, we should publicly advocate appropriate consumption. Thus, by mainly using methods which increase final, effective demand, we can turn around some fundamental problems in the current economy as soon as possible.

The advantages of this method are that we will be able to regain control of the main causes of the market slump; it will be helpful in getting what the plan demands, and it will aid in renewing the current sluggish societal production. Its inadequacy lies in its stimulating a sense of propriety which is very hard to control. When the dynamics are small, it may not stimulate; when the dynamics are great, it can very possibly lead to a recurrence of inflation, negating everything that was achieved previously to bring it under control. This is chiefly because:

Looking at the current objective economic situation, the stimulus required to start up the economy is very different this time from what was needed in the past. In the past, basic, normal operations were generally carried out in concert with production, transport, distribution, marketing, etc. For the overall economy to operate better, it was necessary to start with those products which were already under pressure. If liquid capital alone is pumped in, with no increase in end needs, just putting in money and letting it settle, surpluses will accumulate steadily, and the problems will grow increasingly critical. This reality has been demonstrated since the fourth quarter of last year. But in stimulating end needs, because a large proportion of our more than 100 million yuan's worth of surplus products was not manufactured to meet market demands, but rather was produced to guarantee operations of enterprises and income for their staffs, there is a structural contradiction, a different one than in increasing end needs. Therefore, making investment proportional to general conditions will result in a fair-sized portion of those surplus goods continuing to be unsalable. If we want to start up this portion of surplus goods, it will certainly require an increase in investment that is much greater than under normal operating conditions. This way, not only will the nation not have such large sources of capital, but the scale of investment could very possibly bring with it a recurrence of inflation. We are relying on strengthening the economic renewal at the price of another round of inflation, and possibly this is too high a price to pay.

Analyzing the situation from the standpoint of individual consumption psychology, the masses do not have a strong desire to buy right now, and those who do are unwilling or not eager to buy much. In addition to the variety of reasons already determined through analysis, a major reason is that the masses lack a strong belief in the next stage of economic development, and in their future income increases. This is especially so when they see the incomes plummeting for those employees of enterprises

which are halting or cutting back on production, creating hardships in those people's lives. This leads to a general pessimism concerning their own incomes. Added to this is their confusion concerning what is high consumption and what is increased consumption, what is an excessive number of days short of money and what is appropriate consumption; they are always unclear on these things. Therefore, aside from that income which must go for everyday needs which cannot be reduced, as much as possible of the remainder will be spent sparingly or not at all, or deposited in banks as a precaution against emergencies. At present, the consumer product market in general shows that spending for foodstuffs has either dropped slightly or risen a bit, while spending on many articles for wearing or use has dropped greatly. This reflects consumer attitudes. With this sort of attitude prevailing, even though a demand is stimulated, bank interest rates will still be relatively high, so that after the masses have their money their purchasing power will still not necessarily increase. In the first quarter of this year, the real income of urban and rural residents increased over last year, but savings deposits nearly doubled, while commodity purchases decreased greatly, a forceful demonstration. Naturally, if we choose to greatly decrease the interest rates on savings deposits, this could provide the needed stimulus for mass consumption. However, doing it this way could not only seriously affect the nation's balance of credit capital, it could also set off a run on the banks like that of the fall of 1988, a very dangerous situation.

The third way is to determine upon deepening economic reform, positively transforming the mechanisms, and raising the economy's efficiency and benefits.

Looking at China's current economy from the shape of its poorly operating production, circulation, distribution, and consumption, we see that it cannot easily continue this way for an extended period, nor can it easily use absolute demand to stimulate artificial activity. Therefore, we can make use of the present market slump, which provides an expanded opportunity to appropriately step up the pace of deepening reform, to not only fundamentally get control of our current predicament, but also make the overall economy develop to a higher efficiency on a new foundation.

The advantages of this method are that it can truly integrate improvement and rectification with deepening reform, as well as while steadily forming a better economic environment and economic process. It can also bring about the necessary transformation of an economic system and mechanisms which are still very inappropriate, creating the favorable conditions needed for healthy economic development in the future. Its shortcomings are that in the initial stages, the industrial production growth rate may not rise by much; in regard to price and enterprise organization adjustment, it might greatly influence and shake the psychology of the masses. But in a practical and realistic overall analysis, while choosing this method may be a bit risky, objectively it is still both necessary and feasible. For example: from the

standpoint of the Chinese economic system's maladies, deepening reform is absolutely essential. The original Chinese economic system was ossified, excessively concentrated, and totally inappropriate for development of the forces of production. Several decades of foreign and domestic experience have proven that under that system, economic construction was of necessity a case of much input, little output, with very bad results, making it difficult to really show the superiority of the socialist system. Therefore, at the Third Plenary Session of the Party Central Committee, it was resolved to carry out reforms. The contradictions and problems that were apparent in the economy of that time appear when examined to be a difficulty of economic operations, but when analyzed from the standpoint of administrative levels, the key is still that economic reform till now was incompatible, with its chief systems and mechanisms unsuitable. This results in a loss of accuracy in macroeconomic planning order, planning which is insufficiently scientific, difficulty in perfecting various kinds of structures, and great variances in normalizing various economic relationships, with no way of attaining the economy's good cycles. The only thing left to do is continue pushing the economy forward, until these problems are basically and effectively overcome and resolved.

From analysis of the objectives of improvement and rectification, if there is not deeper reform, there can be no total achievement. The Fifth Plenary Session resolution stated that this improvement and rectification was intended to accomplish six major economic objectives, namely: lower the national retail price index to within 10 percent; reverse excessive issuance of currency; progressively eliminate the financial deficit; maintain a five to six percent annual growth rate; improve our illogical industrial structure and progressively establish a scientific, effective macroscopic adjustment system. From what we have learned from many years of economic construction, these requirements are absolutely correct. These six objectives are all mutually interrelated, and each is essential. Of these, the former three mainly are expressed in low-level economic figures; the latter three ensure the conditions vital to achievement of the first three. Moreover, if the latter three are to be achieved, it is clearly insufficient to rely generally upon retrenchment policies and administrative measures alone. Only by reforming, systematizing all types of relationships as deeply as possible, transforming economic mechanisms, and resolving and even eliminating various systematic and structural contradictions which currently exist, can we actually achieve our objectives.

Analysis of current economic conditions shows that deeper reform is also possible. After a decade of reform, the prominent contradictions which the Chinese economic system confronts and must resolve are found in two layers: one is to carry out price reform and structural adjustment sufficient to turn around the economic system and raise enterprise profits; the other is to begin to establish between central and local governments,

between state and enterprise, between collective and individual, a regular pattern which will be complementary to development of a socialist commodity economy, while also having fairly standard powers beneficial to the distribution system. By amply arousing enthusiasm, we can achieve the rational use of various resources and the excellent allocation of productive forces. In order to decrease the risks, these two reforms can be carried out separately. In the next year or two, we can make use of the market's weak situation and of halted or slowed production in a group of enterprises, and appropriately promote price reform and adjustments to the industrial, product, and enterprise organizational structures. The next step will be to again stress later aspects of reform. Because there is now a balance between supply and demand in society, we need only continue to strengthen macroeconomic overall control, guarding against renewed investment and consumption inflation, then steadily push for price reform, so that the overall price level will not increase too greatly. Because it is essential to maintain the basic livelihood of the staffs of enterprises halting or slowing down production, we must strengthen and go still deeper in our painstaking ideological work, and thereby carry out appropriate enterprise regulation, while perhaps avoiding a major upheaval. We will await the initial results of price reform and structural adjustment. Economic benefits will rise, and after public wealth increases by a rather large amount, we will rationally adjust the relationship between rights and powers further. At the same time, we should establish the necessary system, and problems will decrease.

To sum up, each of the three methods listed above has its advantages and disadvantages: the first would aid in maintaining the present stability, but cannot resolve the fundamental problems, so that the contradictions could become more serious and the outlook not very good; the second would help industry to rebound quickly, but could follow the same old inflationary road, which would be very dangerous; the third course of action might create some temporary hardships in the short term for some enterprises and the masses, but in sticking to the reform policies stressed by central authorities since the Third Plenary Session of the 11th Party Central Committee, it would have many advantages for long-term economic development and for truly perfecting the socialist system as much as possible. Looked at from the standpoint of current economic realities, it would be hard to find a course of action which is beneficial yet without drawbacks; it seems that the third way is better, but naturally has quite a few difficulties. The foregoing is but one line of thought. If it is to be put to use, it still must be widely discussed, thoroughly researched, elaborately planned, and seriously considered, and we must totally acknowledge any questions and contradictions that may arise. Only through advance planning of practical and effective measures for dealing with the risks and remedies, followed by the widespread understanding of cadres and masses, will they be effectively carried out.

Funding Independence Needed for Enterprise Reform

910CE0021A Beijing JINGJI RIBAO in Chinese
7 Sep 90 p 3

[Article by Xu Yunbei (1776 6663 0554): "Building a Value Transfer Entity Centered on Independence of Funding—Discussing an Important Question in the Deepening of Enterprise Reform"]

[Text] In 10 years of reform it has not been possible to radically break out from the old rut of large input, small output, excessive speed, and low efficiency. There are many reasons for the low economic efficiency of state-run enterprises, and one underlying cause is that the enterprises by themselves have not been able to accumulate funds to expand reproduction. Genuine revitalization of enterprises requires making independence of funding the core for structuring the value transfer entity.

Presently most Chinese enterprises lack independence in all fund activities and lack a value transfer entity.

According to 1986 statistics for state-run enterprises in light industries, these enterprises, after turning over to the state the prescribed amount of taxes, are allowed to retain a per person average of 502 yuan of profits. This amount of profits must still be split into five portions, namely into a contribution to the staff and workers welfare fund, to the staff and workers reward fund, to its reserve fund, to a new products experimental production fund, and to the production development fund. In the operation of this system, contributions to all funds are guaranteed, except contributions to the production development fund. The above-mentioned figure shows that it is only a small portion of retained profits that an enterprise will be able to actually use for production development. There is now no guarantee for the provision of fixed assets to state-run enterprises; everybody wants to shun those, doing so in a variety of ways, for instance, by unremunerated mergers, etc. State-run enterprises are economically structured in such a way that it is actually the banks that control funds and the finance departments that control distribution; from production to circulation and distribution, everything is being handled separately and under someone else's control. It looks, on the one hand, like "dismemberment by tearing into five directions" [a cruel form of punishment in antiquity] or, on the other hand, like "whipping only the draft animal that is already pulling harder than the others." On the one hand, heavy taxes are levied, and, on the other hand, enterprises are not allowed independence in funding and in value-increasing activities, so that they are completely incapable of factually raising economic efficiency.

In the capitalist society, which bases on the system of private property, the use of private capital, together with hired labor, creates surplus value and accumulates wealth. In the socialist society, public ownership is the predominant element of the economy, while a plurality

of other economic elements exist side by side. Enterprises that are not owned by the entire people rely for their sound development on their own funding and value-increasing activities. State-run enterprises must also become economic entities that have independence in funding and that create value by means of freely operating these funds; only then will they become main sources of wealth created in the socialist way. The theory of value is a scientific law which may serve capitalism as well as socialism. The core task of socialist commodity economy is to utilize the law of value to satisfy the needs of the people, to create accumulation, and to carry out socialist construction. Wealth will not fall from heaven; it is precisely as Marx expressed it in the foreword to his *Das Kapital*, namely, that when a society has discovered the natural laws of its movement, it can neither clear by bold leaps, nor remove by legal enactments, the obstructions in the successive phases of its normal development. The competitive mechanism in the economic domain is determined by the law of value; if there is no independence in funding, it is out of the question to speak here of full financial responsibility for profits and losses, or of self-restraint, and equally impossible to achieve accumulations. If enterprises cannot expand their reproduction in accordance with the law of value, they will not be able to extract themselves from the system of "eating from the big pot of the state." If the problem of "eating from the big pot" is not solved in the economic domain, it will not be possible to overcome the problem of "eating from the big pot" in all other respects, also not possible to solve the problem of the "iron rice bowl." What is going on now is that: "nine out of ten of our billion people are hawking and trading; whether high or low, wherever they reside, sponging on the resources of the central government is the rule by which they all abide, and trading companies of every description are everywhere sprouting up. That is not developing commodity economy, but rather a new way of 'eating from the big pot.'" In the last few years we have learned and begun many new policies, such as revitalization by opening up to the outside world, readjustment of prices, scientific and technological interchanges, introduction of foreign capital, etc.; but we still have not yet learned to resolve the problem that we really should have learned to resolve most urgently. Turning state-run enterprises into sources of wealth, or "hens that will lay eggs" is the core element of a commodity economy. In an environment of stability and unity, state-run enterprises are still unable "to lay eggs," and there is no rapid growth of the economy, while it is still the intention to develop production under the rule of the law of value. This is the critical point in our efforts to deepen the enterprise reform.

To carry out this reform, it is first of all necessary to reform our tax and financial management, i.e., to ensure sufficient financial revenue for the state, and also to spur on all enterprises to develop commodity production. It is necessary to decide on a policy of rational tax rates, of uniform tax obligations for all enterprises, and on a policy that will change the present system of diverse channels exacting a variety of taxes from the enterprises.

We must abolish the regulatory business tax, reduce income tax rates, and allow enterprises to use a large portion of their profits after taxes for the expansion of their reproduction. Losses that the enterprises have to be responsible for, as well as expenditure for technological transformations and renovation of equipment, and structural changes or expansion of buildings, must all be paid for from the profits and accumulations of the enterprises themselves. Furthermore, there must be a continuous development of new products and new enterprises. The share of profits that enterprises have to turn over to the state may perhaps be temporarily reduced. Thus, in the long run, this will ensure good prospects of having this share greatly increased again in later years, of saving the country the payment of large sums of loss subsidies, and of greatly promoting enterprise investments and production.

This could be accomplished in different steps, based on the deepening of the enterprise management contract system:

1. Extending the terms of the enterprise management contract system. If extended to 10 or 15 years, it would be possible to gradually move toward independence in funding and full financial responsibility for profits and losses.
2. Allowing independence in funding and full financial responsibility for profits and losses to the general run of medium- and small-sized enterprises, after having directly assessed their fixed assets, after having themselves accumulated circulating capital, and after having paid the state a uniform tax.
3. Enterprises which now tentatively practice the separate handling of profits and taxes, which practice after-tax repayment of loans, and after-tax contracting, must not allow things to go on as they are, but must effect a direct transition to independence in funding and to full financial responsibility for profits and losses.

The above three propositions must be first tried out at selected experimental units.

These reforms may not be carried out at enterprises of the war or defense industry or at enterprises where special conditions prevail. As implementation of these reforms touches on many problems, such as tax revenue adjustment, etc., they must be carried out as experimental projects to gather and sum up experiences, whereupon they may be gradually spread out over a wider area.

After the reform, enterprises will still carry out directive-style plans and guidance-style plans of departments or regional administrations, attuned to their particular lines of business, and will still implement the various state policies that determine uniform workers' wages and prices. The developmental orientation of the enterprises must progress along the track of the state plan. Production, circulation, distribution, and consumption must be realized by exchanges at value. Enterprises shall take full

financial responsibility for profits and losses, operating under the condition of uniform plans and uniform prices, and with independence in their funding. This alone will ensure that everyone starts out from the same start line in the competition, as it will also ensure that accumulations will be achieved for socialism.

An overall review of China's history shows that commodity production is not at all alien to China. The economy of the semifeudal, semicolonial society of old China was a commodity economy. Although privately run industries and commercial enterprises were subjected to reform in the early years of the PRC, there still existed petty merchants and peddlers, and also markets during the early period. Large numbers of handcraftsmen were also commodity producers. Town and township collective enterprises organized by handicraft cooperatives were also engaged in commodity production. Although they had been subjected to the unpaid transfer of resources during the last 30 years, they still had developed vigorously. In 1988, their annual output value was 302.4 billion, which accounted for 17 percent of the total industrial output value. As to China's plastic products, furniture industry, hardware products, leather products, clothes, hats, and shoes, handicraft and art objects, electrical home appliance industries, and its industry producing small articles for daily use, development of all these somewhat over ten industries, though at times assisted by the state, have mainly relied on collective enterprises for their development and in the process of gaining their ultimate strength. However, collective economy has been ignored for a long time, and as long as collective economy was treated according to the pattern applied to the state-run economy, the collective industry could not fully assert its superiority. In addition, heavy impositions and a shortage of raw materials greatly aggravated its difficulties, and many of these enterprises incurred losses, but none of them "ate from the state's big pot," as they managed to resolve their difficulties by themselves. This was decidedly a consequence of the key economic elements in the structural composition of the enterprises. In the last few years, town and township enterprises developed rapidly; in 1989 their annual output value was somewhat over 750 billion, of which sum industrial output accounted for somewhat over 510 billion, mainly derived from the town and township collective economy, which was also operating with its own capital and full financial responsibility for profits and losses. In 1988, urban together with rural collective enterprises provided the state with a tax revenue of 47.4 billion, which accounted for 18 percent of the state's 1988 financial revenue.

It is not that the state-run enterprises are not up to the level of comparable collective enterprises. State-run enterprises are much better off than collective enterprises in matters of fixed assets, equipment, technological conditions, staff in key leadership positions, and in the quality of their staff and workers. It is also not that the state-run enterprises did not yet possess all preconditions for carrying out this kind of reform; in the last

few years they had undergone the shift from profit-delivery to taxation, expansion and delegation of powers, contracting and leasing arrangements, thus gaining much experience. These reforms have in recent years centered around self-determination in business operations and full financial responsibility for profits and losses. Now we must deepen the reform, adroitly guide action according to circumstances, go one step further in achieving independence in funding, and truly institute full financial responsibility for profits and losses; now is indeed the opportune time to do it.

Property rights in state-run enterprises clearly and definitely belong to the state. The so-called uncertainty about property rights in state-run enterprises, and no one being responsible for their property, has its root in "eating from the big pot." In collective enterprises there is some person responsible for property. If state-run enterprises were allowed independence in funding, restricted by the law of value, someone would then be responsible for property, business operations would also run smoothly, and public ownership economy would not be an empty concept, but would equally become an economic entity of value turnover.

To deepen enterprise reform, we must, on the one hand, study the advanced techniques of foreign countries and, on the other hand, also review our own experiences. Starting out from the realities of China, we must allow state-run enterprises independence in their funding activities and must continuously advance on a road consisting of an integration of plan economy and market regulation. It is only through a reform of this kind that enterprises owned by the whole people will be able to radically break away from the practice of "eating from the big pot," enter a new historical phase, and play a much larger role in the socialist construction.

PROVINCIAL

Beijing High-Tech Zone To Open in Shenzhen

*OW0711211590 Beijing XINHUA in English
1635 GMT 7 Nov 90*

[Text] Beijing, Nov 7 (XINHUA)—The Beijing high-tech experimental development area will open an agency in the Shenzhen Special Economic Zone, in south China's Guangdong Province, tomorrow.

The agency aims at strengthening Beijing's contacts with the coastal area of China and overseas firms.

It is designed to promote high-tech exchanges with domestic and foreign firms and provide more opportunities for overseas firms to invest in and cooperate with the Beijing area, said Hu Zhaoguang, director of the area.

Set up in northwest Beijing in 1988, the experimental area has set up 920 high-tech enterprises with 18,000 employees and earned 3.2 billion yuan over the past two years.

Hu said that the area has set up more than 40 production bases in coastal areas and enterprises have established three overseas agencies.

Guizhou Military Helps Local Industry Develop

*OW0511075790 Beijing XINHUA in English
0721 GMT 5 Nov 90*

[Text] Beijing, November 5 (XINHUA)—The military industry in Guizhou Province has taken advantage of its own high technology and equipment to cooperate with local authorities to help them boost local industry, the PEOPLE'S DAILY reported today.

The Beijing-based national paper said that the military industry has set up 134 economic entities with local units and 45 cooperatives with rural enterprises to explore local natural resources.

According to the paper, the military industry has provided civil industries with new techniques and the results from more than 300 scientific research projects, and has also helped them upgrade their facilities.

In addition, the military industry has established 130 showcase enterprises and three export-oriented production bases in the coastal areas and other provinces and regions.

According to statistics, the military industry has turned out more than 600 varieties of civil products in the last decade. Included are light duty motor vehicles, telecommunication equipment and instruments and meters.

The output value of civil products produced by the military industry last year totalled 1.46 billion yuan (about 310.6 million U.S. dollars), up from 78 million yuan (about 16.6 million U.S. dollars) in 1979, and made up one-sixth of the province's total industrial output value.

INDUSTRY

Construction at Baoshan Complex Proceeds Rapidly

*OW0811094290 Beijing XINHUA in English
0714 GMT 8 Nov 90*

[Text] Beijing, November 8 (XINHUA)—The second stage of construction at the Baoshan Iron and Steel Complex has entered a decisive stage, according to today's overseas edition of the PEOPLE'S DAILY.

The project includes the installation of a huge blast furnace, which will have a daily production capacity of 10,000 tons of molten iron, two groups of large coking oven and a sintering plant. All of the equipment is designed and manufactured in China, and is being installed by Chinese workers.

Construction began in 1987, and thus far the body of the 4,063 cubic meter furnace has been erected, and the

rotary feeder on the top of the furnace has been put into trial operation. The installation of the two groups on 50 hole coking ovens, and construction of the 450 square meter sintring plant are near completion. The coking ovens and the sintering plant will be put into trial operation before next June. The total investment for the second stage of construction will reach 2.87 billion yuan (600 million U.S. dollar). When the project is completed, the annual production capacity of the complex will be increased to 6.5 million tons of iron and 6.71 million tons of steel. This will be a significant increase from the present three million tons of iron and 3.1 million tons of steel. At the same time, the complex will have an annual production of four million tons of cold and hot rolled steel and 1.22 million tons of billets.

Industrial Production Picks Up in October

OW0711123290 Beijing XINHUA in English
0856 GMT 7 Nov 90

[Text] Beijing, Nov 7 (XINHUA)—China's industrial production last month picked up at a faster pace, registering a 12.7 percent growth rate over the same period last year, the State Statistics Bureau reported today.

October's daily output value averaged 4.11 billion yuan, 5.2 percent more than the previous month, a bureau official said.

Of the total, light industrial production was up 16.2 percent while heavy industrial production up 9.1 percent.

China's industry turned out a total output value of 1,571.6 billion yuan in the first 10 months of this year, 4.1 percent more than last year's corresponding period. Of this, light industry rose 4.9 percent while heavy industry rose 3.2 percent.

Industrial officials attributed the quick recovery to sharp growth rates in coastal regions. Jiangsu is up 21.4 percent; Zhejiang, 21.9 percent; Guangdong, 27 percent; and Hainan, 38.3 percent.

Light industry also developed rapidly. Production of most durable consumer goods, such as wristwatches, cameras, color TV sets, audio and video tape recorders, washing machines and refrigerators, increased with growth rates ranging from 28.9 percent to 73.7 percent.

The officials also noted that the higher growth rate in October is based on the low output in the corresponding period of last year.

Light Industrial Product Exports Reported

HK0511104790 Beijing CEI Database in English
5 Nov 90

[Text] Beijing (CEI)—Following is a statistical table showing China's export of light industrial products in the first nine months of 1990, released by the General Administration of Customs.

Commodity	Unit	Jan.-Sep. 1990	Jan.-Sep. 1989
Paper and paperboard	ton	171,025	157,115
Cement	ton	3,528,628	221,292
Plate glass	10,000 sqm	2,242	2,428
Glassware	10,000 usd	4,457	4,052
Household pottery	10,000 usd	28,173	19,352
Pearl	10,000 usd	2,352	607
Wrist watch	set	48,820,000	28,720,000
TV set	set	3,821,470	2,690,702
Color	set	1,626,877	1,210,798
	set	2,182,823	1,479,904
Monochrome			
Recorder	set	18,729,126	10,258,257
Electric fan	set	11,950,426	7,987,285
Bicycle	set	2,302,989	1,641,941
Garment	suit/pieces	169,257	159,063
Leather shoes	in 10,000 pairs	44,640,000	30,900,000
Rubber-soled cloth shoes	10,000 pairs	21,873	20,238
Toy	10,000 usd	38,696	34,246
Export goods	10,000 usd	722,695	582,183

processed and assembled with imported material (excluding those processed on contracts)

Vice Minister on Developments in Aviation Industry

HK0711131390 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 30 Oct 90 p 4

[Article by Zhang Heping (1728 0149 1627): "China Has Made Rapid Progress in Technology for Aeronautic Equipment"]

[Text] Beijing, 29 Oct (RENMIN RIBAO)—In recent years, China has made rapid progress in its aviation airborne equipment, aeronautic engines, and aeronautic scientific and technical research, making important contributions to the progress of the aviation industry. He Wenzhi, vice minister of the Ministry of Aeronautics and Astronautics Industry made the above remark to reporters on the eve of the opening ceremony of the "Second Beijing International Aeronautic Equipment and Technology Exhibition."

He Wenzhi said that China's aviation airborne equipment industry has developed and manufactured various types of airborne equipment for all types of China-manufactured military and civilian aircraft. There has been relatively good progress in the development and manufacturing of aeronautic electronic comprehensive systems, cockpit comprehensive display systems, inertial navigation systems, aircraft control systems, airborne

radars, high-pressure dehydrating and elevating environment-control installations, ejection evacuation installations, and aircraft components and spare parts. In recent years, China has introduced advanced technology from abroad, and initiated technical cooperation and exchanges, thus promoting the scientific and technical development for aviation airborne equipment. For the 150 passenger airplanes China is currently preparing to manufacture on a cooperative basis, whole sets of airborne equipment, which meet the requirements of world advanced levels, will be used to further upgrade airborne equipment.

The aeronautic engine industry has become a high-tech industry. It embraces a number of high-caliber enterprises and scientific research organizations, and is equipped with advanced production, manufacturing and experimental equipment and means. This considerably large industry has designed and developed over 50 types of aeronautic engines, of which over 20 have had their models fixed and are being produced. The industry has also supplied over 50,000 engines for military and civilian aircraft. Over 1,000 engines and larger numbers of spare parts and components are exported to many parts of the world. At the beginning of the 1980's, China imported (Aheyefa) engines from the French (Toubomeika) Company. After succeeding in manufacturing our own engines, China forwarded them to the French company for examination and obtained official approval from it. After nearly three years of cooperation and efforts, the advanced FT8 high-power gas wheel engine, jointly developed by China and the United States, has entered the last testing phase.

Vice Minister He Wenzhi said, on the principle of equality and mutual benefit, and in keeping with international practice, the Chinese aviation circle is looking for partners from many places. There have been more substantial progress and results in technology exchanges, cooperation in manufacturing, and trading. At this International Aeronautic Equipment and Technology Exhibition, people from China's aviation circle will discuss and study the possibility of cooperation in manufacturing the advanced aeronautic power installations, avionics, and ground equipment needed for and suited to China's mainline and branchline passenger airplanes of the 1990's.

Wool Shortage Reported in Shaanxi

91P30029B Beijing NONGMIN RIBAO in Chinese
26 Sep 90 p 2

[Text] Shaanxi Province is a major textile base, and wool textiles account for a large proportion of this. The province currently has 13 wool textile factories, with a total of 39,000 spindles. The annual demand for wool in Shaanxi is 4,700 tons, but since only 700 tons is processed, the province is able to satisfy only 15 percent of its demand for wool. In the past, most of Shaanxi's unprocessed wool was imported or purchased from other provinces. Now, since China's supply of foreign

exchange is tight, the amount of imported wool that the state has allocated to Shaanxi has decreased from 1,150 tons to approximately 160 tons. In addition, the amount of wool imports for which Shaanxi expends foreign exchange is only 1,700 tons, and the supply of wool purchased from other provinces is diminishing. The province's wool shortage has reached 2,000 tons. All of this suggests that the production management of Shaanxi's wool enterprises will continue to face difficulties.

Technical Consultancy Sector Growing in Shanghai

OW011120390 Beijing XINHUA in English
0825 GMT 1 Nov 90

[Text] Beijing, Nov 1 (XINHUA)—Scientific and technological consultancy services are the latest growth industry in Shanghai, China's largest industrial city, according to the Overseas Edition of the PEOPLE'S DAILY today.

Consultancy services center on two major sectors—macro and strategic development and individual technical items, the paper said.

The revenue of the industry over the past four years has totaled 420 million yuan and its net revenue has reached 130 million yuan, the paper reported.

It revealed that there are now 973 consultancy agencies, including more than 200 independent companies, in Shanghai. They employ more than 10,000 professional and nearly 100,000 part-time staff. Services cover ten major areas such as economy, industry, foreign trade and science.

Important items of consultation include "prospects for the microelectronic industry of Shanghai," "strategic development of Shanghai economy" and "an overall development plan for Shanghai municipality."

Between 1983 and 1989 dozens of consultation companies co-operated to produce important data for local and central governments in working out plans for the development of the Pudong area near Shanghai.

Some feasibility studies have produced satisfactory results. When a consultation document on the "Yangtze River water diversion project" was adopted the total investment was cut by 50 million yuan and 25 million kwh of electricity were saved each year.

The city's consultation companies now have clients from overseas as well as other regions of the country. The Shanghai Industrial External Consultation Company set up a branch in San Francisco last year, the newspaper said.

Tibet's Qamdo Improves Industrial Development
OW0711213790 Beijing XINHUA in English
1624 GMT 7 Nov 90

[Text] Lhasa, Nov 7 (XINHUA)—Qamdo Prefecture, in the eastern part of Tibetan Autonomous Region, where people could not find a local product even as small as a screw in the past, now has set up its own modern industrial network.

Located in the hinterland of the areas drained by Jinsha River, Lancang River and Nujang River and the area around the Hengduan Mountains, is rich in water power, forest and mineral resources.

The prefecture now embraces 62 industrial enterprises engaged in the electric power, building materials, forestry, mining, machinery, leather-making, printing, coal and foodstuffs industries. These enterprises employ a total of 13,000 workers.

In the middle 1960's Qamdo first began its industrial construction with help from the state and other provinces of the country.

To make full use of the 30 million kw of usable water-power resources in this area, the Chinese Government has invested 100 million yuan in the construction of 13 large hydropower stations and 60 small-sized power stations. Total installed capacity of these power stations reaches 20,000 kw.

Currently, construction of the Lhorong and Requ River Power Stations in Lhorong County, and the Yuqu River Power Station in Zogang County is going smoothly and they are expected to be completed by the end of next year.

A lot has been done to open up forest resources in the Qamdo area in the past decades.

In 1966 the prefecture set up its first forest industrial enterprise—the Qamdo Prefectural Timber Plant.

In 1985 the Chinese Government invested another three million yuan to improve the technical level and renew equipment at the plant, which now can process 20,000 cu m of timber annually.

Investigations conducted by the State Geological and Mineral Resources Ministry showed that Qamdo Prefecture has more than 70 kinds of minerals.

In the past decades, the Machala Coal Mine, with an annual production capacity of 25,000 tons, and the Wada Coal Mine, with an annual production capacity of 4,000 tons of raw coal, were built in this prefecture. And other coal mines are now under construction.

The Qamdo Cement Plant, established in 1971, had produced a total of 26 million tons of cement by the end of last year. This basically matches the need for cement in the prefecture.

Meanwhile, a group of light industry enterprises covering printing, and leather foodstuff processing has also taken shape in the area.

CONSTRUCTION

Capital Construction Adds Production Capacity

HK0711100990 Beijing CEI Database in English
7 Nov 90

[Text] Beijing (CEI)—Following is a list showing newly-added production capacity by capital construction in the first three quarters of 1989, [year as received] released by CSICSC [China Statistics Information Consultancy Service Center]:

	Unit	1-9/90
Coal	10,000 t	565
Generating capacity	10,000 kw	291
Cement	10,000 t	8
Chemical fiber	10,000 t	
Refined sugar	10,000 t	227
Newly-built railways	10,000 km. railways	94.4

Capital Construction Completed by State-Owned Units

HK0711100790 Beijing CEI Database in English
7 Nov 90

[Text] Beijing (CEI)—Following is a list showing capital construction projects completed by state-owned units in the first three quarters of 1990, released by CSICSC [China Statistics Information Consultancy Service Center]:

	Unit	1-9/90	1-9/89
Total investment	100 million yuan	852.46	774.31
Constructed	item	40,129	41,574
Completed	item	6,591	6,515
Area constructed	10,000 sm.	16212.28	20015.24
Housing	10,000 sm.	6048.02	6387.55
Area completed	10,000 sm.	2247.48	2656.19
Housing	10,000 sm.	989.97	1064.67

LABOR

Report on Enterprises Using Forced Labor

90CE0464A Hong Kong CHIUSHIH NIENTAI /THE NINETIES/ in Chinese No 8, 1 Aug 90 pp 21-23

[Article by Wu Hung-ta (0702 1738 6671): "Wine and Tea From Criminals Undergoing Reform Through Labor—on the Reform-Through-Labor Enterprises on Mainland China"]

[Excerpts] *Editor's Note: The writer of this article is a visiting scholar at the Hoover Institute of Stanford University in the United States.*

A bottle of wine, a box of tea, and a letter have swept away a bit of the dense fog. [passage omitted]

Yingde Tea: Produced by the "China Gulag, Inc."

[passage omitted] The writer recently bought a box of "Yingde Black Tea" in San Francisco, California. The tea was produced by the Yingde Tea Plantation, which belongs to the "Xin Sheng Joint Enterprise Company" in Yingde County, Guangdong Province. This reform-through-labor enterprise not only grows and processes tea, but also manufactures various kinds of tea-processing machines. The enterprise employs about 30,000 to 40,000 people, including security police and prisoners. It is a widely known reform-through-labor group with a long history.

The "Huang Chao" [Dynasty] grape wine is up to international standard and marketed abroad, thanks to the equipment, manufacturing know-how, and technical guidance provided by France. But the red grape known as "meiguixiang" has been grown, harvested, and packed by the prisoners at the Qinghe Farm and Tuanhe Farm, both under the jurisdiction of the Beijing Municipal Public Security Bureau, since the 1960's. Each year some 8 million jin of the grape is exported as fruit to Hong Kong, Japan, and other places. It is very popular because of its fine color and fragrance and high sugar content. But the Qinghe Farm is not just a grape farm. It produces not only various agricultural and sideline products including the famous "Qinghe rice," but also television parts, ceramics, paper, and machinery. It employs a total of about 50,000 prisoners of various categories. Located 20 kilometers east of Tianjin Municipality, the Qinghe Farm is about 10 kilometers across from north to south and about 20 kilometers from east to west. On the Beijing-Shenyang Railway past Tanggu, there is a small station called Chadian, and that is the main entrance to the Qinghe Farm. The writer saw a four foot by six foot photo taken by a man-made satellite, which gives a clear view of the entire farm (see color page). The Tuanhe Farm lies near the Nanyuan Airport in the southern suburbs of Beijing. It was originally a reform-through-labor group of more than 10,000 people, including criminals undergoing reform through labor, persons undergoing rehabilitation through labor, and juvenile delinquents. Renamed the "Beijing Municipal Rehabilitation Through Labor Camp" a few years ago, it is a model reform-through-labor group often shown to foreign visitors.

Prisoners Undergoing Reform Through Labor and the National Production System

Little is known so far by the outside world about the reform-through-labor camps in Communist China. When the Volvo-Chinter episode became news, many scholars and specialists in the West did not doubt the existence of large-scale reform-through-labor camps on

Mainland China, but they scoffed at the idea that such labor camps wished to set up plants jointly with a world-class auto manufacturer. The fact is, people have underestimated the actual strength of the labor camps as automakers. There are 70 auto and major auto parts factories in Communist China, and 10 are reform-through-labor enterprises. For example, the Linfen Auto Plant in Shanxi (which is the No 3 Prison of Shanxi Province) makes Fenhe trucks; the Hunan Provincial Heavy-Duty Truck Plant (which is the No 2 Prison in Hunan Province) makes NH650 heavy-duty trucks; and the Lingyuan Motor Company (which is the Lingyuan reform-through-labor detachment in Liaoning Province) produces 10,000 Linghe trucks each year.

According to CPC policy, all prisoners are forced to work. It is said that according to the Marxist-Leninist theory of class struggle, all the people in the world who make mistakes or commit crimes are those whose minds are filled with ideas of the exploiting classes. When a man has committed an offense, no matter what kind of offense, political or criminal, and is sentenced to serve time in a reform-through-labor camp, it is not just to punish him, but to "transform him into a new person through labor," a practical application of communist humanitarianism. Every prisoner should become a worker. They are not working aimlessly just for the sake of working. They are all well-organized to take part in production. Only in this way is it possible for them to be transformed by the communist party's reform-through-labor policy into new people who are useful and conducive to socialism. Therefore, the public security departments have a work force of some 10 million people, who are docile, receive no pay, and consist mainly of young males. Every reform-through-labor camp has become an enterprise. Their products are marketed at home and abroad just like products of state enterprises. They too have costs, raw and semifinished materials, plans, profits, taxes, inventories, quality control, and other similar items. Production by the reform-through-labor camps has become an indispensable part of Communist China's national production system.

Reform-Through-Labor Camps Should Also Earn Foreign Exchange

In the past few years, the reform-through-labor camps have also begun to actively encourage exports to earn foreign exchange. Some products are exported through provincial import-export companies or agents in Hong Kong, Macao, and foreign countries. The B6050 shaping machines produced by the Xiangyang Machine Tool Plant under the Hubei Provincial Reform Through Labor Bureau are exported through the Tatung Machinery Co and Tachung Power Co in Hong Kong and the Singapore Machinery Co to more than 40 countries in the world. A considerable part of the products such as cotton, plastic products, electronic machinery parts and components, etc., are processed or assembled into other products for export. Some reform-through-labor camps contract for part of the work in commodity production, for example, garment, toy, and

shoe processing. The reform-through-labor enterprises have earned a lot of foreign exchange for communist China's public security and judicial systems.

The reform-through-labor camps are a necessary component of the CPC's political system and indispensable for upholding the "four cardinal principles." During the Tiananmen incident last year, it was reported a few days before the bloody suppression by tanks in the square that the reform-through-labor camps in Beijing were hastily moving inmates elsewhere to make room for the students and democratic movement participants who were soon to arrive. However, people's attention was at that time completely absorbed by the developments in the next few days. It should be noted that in addition to the many people killed, many more were rounded up and sent to the reform-through-labor camps.

On 14 October 1989, the Ministry of Justice of Communist China published a "list of advanced collectives of the nation's justice system in stopping the turmoil and quelling the rebellion." The list includes a total of 52 units, of which 30 are reform-through-labor camps. Two of the reform-through-labor units are in the Beijing area: the Beijing No. 1 reform-through-labor detachment (Qinghe Farm) and the Beijing Municipal Tiantanghe Rehabilitation-Through-Labor Camp (not the Qin Cheng Prison which is too much in the public gaze). The list ranges from Hainan Island's Qionghai Prison in the south to Heilongjiang's Harbin Prison in the North and from Jiangsu's Dalianshan Rehabilitation-Through-Labor Camp in the east to Yunnan's No. 41 Reform-Through-Labor Detachment in the west. It is obvious that the suppression has spread all over the country, and that the number of people rounded up are certainly not limited to the 100 to 200 released or the 400 and more not yet released.

"Gulags" Under the CPC

In the 1950's, 80 to 90 percent of the inmates in the reform-through-labor camps were "counterrevolutionaries." In the past decade, the original Kuomintang Government personnel, elements of the landlord class, bourgeois elements, and the people purged in all the political movements have died out or grown old, and those who have survived have been "rehabilitated" or "cleared" and finally left the reform-through-labor camps. However, it does not mean that the reform-through-labor camps are no longer needed or prospering. As long as the despotic political system remains unchanged, the reform-through-labor camps will continue to exist.

The number of counterrevolutionary political prisoners has dropped in the reform-through-labor camps, and the number of economic and criminal offenders has increased. According the CPC's internal documents, 10 percent of the inmates are counterrevolutionaries.

The CPC has never admitted that there are political prisoners. [passage omitted]

Worse Even Than the Nazis and the Soviet Union

[passage omitted] The writer has spent 10 years' time and collected the names, locations, number of inmates, and production activities of 1,000 reform-through-labor camps. However, this is believed to be only one-fourth or one-sixth of the total number. Since the 1950's, about 50 million people have been sent to the reform-through-labor camps under different charges, and 16 to 20 million are still there today. [passage omitted]

At present, it is impossible to estimate the role of the reform-through-labor enterprises in Communist China's national economy. The following examples can be used for reference.

1. According to 1983 statistics, the reform-through-labor camps produced more than 12 million tons of coal, more than 1 billion jin of grain, and 24 million jin of tea (one-third of China's total tea production).
2. The total value of agricultural and industrial output by reform-through-labor camps in Jiangsu Province was 247 million yuan in 1985.
3. The total output value by industrial units of reform-through-labor camps in Shanxi Province was 120 million yuan in 1985.
4. The total output value of reform-through-labor camps in Guangdong Province was 1,557,300,000,000 yuan [as printed] in 1988, up 33.7 percent from the previous year. [passage omitted]

TRANSPORTATION

New Electric Railway Planned for Northwest

OW0711213990 Beijing XINHUA in English
1633 GMT 7 Nov 90

[Text] Lanzhou, Nov 7 (XINHUA)—Construction of an electrified railway line which run through three provinces in northwest China started recently in Baoji, in Shaanxi Province.

The railway line begins at Baoji, cuts across Gansu Province and terminates at Zhongwei, a county in the Ningxia Hui Autonomous region—a total length of 498.19 km.

The line, a key project in China's Eighth Five-Year Plan (1991- 95), includes 210 bridges and 66 tunnels. It will cost 2.592 billion yuan and is scheduled to be completed in 1995.

The railway line will be connected with four trunk lines of the national railway network.

Experts said operation of the new line is of great significance for the exploitation of natural resources in northwest China, promotion of industrial and agricultural

development in this underdeveloped region, strengthening of unity between the Han nationality and other ethnic groups and consolidation of national defense.

Survey Begins on Baoji-Chengdu Railway Line

*OW0311213590 Beijing XINHUA in English
1533 GMT 3 Nov 90*

[Text] Xian, Nov 3 (XINHUA)—The feasibility study of renovating the existing Baoji—Yangpingguan section of Baoji-Chengdu railway line and of building a second line began recently, according to an expert from the Xian Branch of the Ministry of Railways No. 1 Prospecting and Design Institute.

The Baoji-Chengdu Railway, which extends from Baoji City in northwest China's Shaanxi Province to Chengdu City, the capital of central China's Sichuan Province, was built shortly after the founding of the People's Republic of China. The railway—China's first electrified railway—which runs through mountainous areas was prospected, designed and constructed by Chinese people without any foreign aid.

The railway traverses many complicated land masses as it crosses the Qinling Range, including the 275 kilometer Baoji—Yangping Guan section which is characterized by high mountains, slopes and gullies, and the numerous bridges and channels which cross them. Trains carrying goods and materials to the southwest have often been forced to stop there.

Over 30 engineers and technicians from the Xian branch have initiated a study of the geological conditions, the investment and labor needed for designing the project plan.

The research work is expected to be completed early next year.

Expansion of Qinhuangdao Harbor Continues

*OW0211210290 Beijing XINHUA in English
1506 GMT 2 Nov 90*

[Text] Qinhuangdao, Nov 2 (XINHUA)—The Chinese Government will continue the Qinhuangdao Harbor expansion project during the 1990's in efforts to increase the harbor's annual handling capacity to over 100 million tons.

The fourth phase of the development plant worked out by the Qinhuangdao Harbor Administration Bureau includes construction of a coal wharf, and three 35,000 dead weight ton (DWT) berths, which will have an annual handling capacity of 30 million tons.

Construction in the existing harbor area will include seven deep-water berths for sundry goods, with a combined annual handling capacity of three million tons.

A number of container berths, and wharves to handle building materials, mineral products, cement and liquid

chemicals will also be constructed in the next five to ten years according to the Harbor Administration Bureau's plan.

The Qinhuangdao Harbor is one of the country's main foreign trade outlets as well as the largest energy export harbor.

Statistics reveal that almost 70 percent of coal exports pass through Qinhuangdao Harbor.

In 1989, the harbor ranked second among the country's coastal harbors by handling over 65.65 million tons of goods, including 47.12 million tons of coal.

The harbor handled over 52 million tons of goods in the first nine months of this year.

Ding Keyi, vice-director of the Harbor Administration Bureau, told XINHUA that the state has attached great importance to the construction of Qinhuangdao Harbor in the past ten years.

Ding said that during this period 16 deep water berths and a number of automatic loading and unloading wharves were constructed.

The harbor now has 38 berths, of which the 26 berths for loading and unloading have a total handling capacity of 92.35 million tons a year.

The Bohai Sea Harbor, which is located on the west bank of Liaodong Bay, conducts trade relations with 80 countries and harbors along the Yangtze River.

Last year, the harbor began a container operation with Japan and Hong Kong.

Construction of Transfer Port Begins in Guangxi

*OW0111132390 Beijing XINHUA in English
1059 GMT 1 Nov 90*

[Text] Nanjing, November 1 (XINHUA)—Construction on one of the major national projects, the transfer port at Guigang City in Guangxi Zhuang Autonomous Region, southwest China, started recently.

Construction is expected to be completed in 1992. The port will be a hub of southwest China for the export of commodities to Hong Kong and Macao. With an annual handling capacity of 4.7 million tons, it will also be the largest inland-water port in southwest and south China.

The total investment in the project is estimated at 46.74 million yuan (nearly 10 million U.S. dollars).

PRC MEDIA ON FOREIGN ECONOMIES

Lessons From Japan on Industrial Development Policy

90CE0505A Beijing JINGJI KEXUE [ECONOMIC SCIENCE] in Chinese No 4, 20 Aug 90 pp 62-67

[Article by Zhang Wenkuei (1728 2429 7608), China People's University: "Evolution of Japan's Industrial Development Policy"]

[Excerpt] [passage omitted] 5. Significance as a Model for China

In the short time of only 20 to 30 years, Japan has developed from a comparatively backward country into a powerful industrial country, and furthermore become one of the rapidly advancing vanguards in today's worldwide scientific and technological revolution. There are here certainly many valuable experiences that are worth our study. Last spring, the State Council issued a "Resolution on Important Points of Present-Day Industrial Policy," as the first part of China's industrial policy and outline of China's intended policy to overcome industrial bottlenecks, to promote the main lines of current industry as well as newly developing industries, to control failing and backward industries, to promote technical progress, and to raise economic efficiency. However, China's specific national conditions are different from those of Japan, and the background of the present era that China is now facing presents even more challenges. This demands of us that we must analyze Japan's industrial policy and the various factors that have made it so successful, that we should absorb whatever is useful in it, and that we should adopt with well defined purpose such measures that are suited to Chinese conditions, without engaging in indiscriminate mechanical copying.

Discussion of Japan's industrial policy cannot evade discussion of Japan's economic system. After the war, Japan carried out an "economic democratization" movement: breaking up the zaibatsu, instituting a labor policy, agrarian reform, etc. and established a market economy system in which private capital formed the core. Independent economic benefits and the right to self-determination in business operations were ultimately protected by law and could not be encroached upon at will. An appropriate degree of competitiveness in the market was also protected by the "Anti-Trust Law" and could not be violated at will. It was precisely from these aspects that enterprises derived their motivation and vitality. The government can guide, adjust, and control business conduct of the enterprises by means of various economic levers and even "administrative directives," but will not provide them with motivation and vitality. It is only the impulse of the enterprises, or the pressure they experience, to seek profits or expansions that is fundamental motivation for economic development. These are factors that cannot be replaced by industrial policies. Furthermore, if policies contravene

the very interests of the enterprises or their aspirations, such policies may meet with a cold reception or resistance. For instance, the "Evaluation Committee for Enterprise Rationalization and the Industrial Fund Committee," passed by the Japanese Ministry of International Trade and Industry in 1961, proposed a plan for the reform of the motorcar industries by creating one group for mass production, one group for special high-class cars, and one group for compact cars. Because of the profuse resistance of the enterprises, the measure could not be implemented, and what resulted under eclectic market competition were two loosely organized complexes, the core of which were Toyota and Nissan.

At present, China's enterprises have by far no such independent positions and rigid budget restraints as Japanese enterprises. China's enterprises are operating in extremely tortuous and twisted ways, and to have an industrial policy in China it is necessary to continue the transformation of the enterprise mechanism. At this juncture, industrial policy is integrated with the movement for improving the economic environment and rectifying the economic order. This demands of us to definitely integrate the movement for improving the economic environment and rectifying the economic order with a deepening of the reform, and thus by deepening the reform spur on the improvement of the economic environment and the rectification of the economic order, and to spur on the rationalization and upgrading of the industrial structure.

We also face a new epochal configuration. The industrial difficulties that Japan had to face in the 1950's and 1960's and again in the 1970's and 1980's, are now upon us, both kinds of them. That means that we now want on the one hand to be unremitting in carrying out the buildup of heavy industry and to accomplish the transition from a traditional agricultural society to an industrial society, but at the same time want to develop know-how and technology intensive industries to be able to meet the challenges of the new worldwide technological revolution. Through an analysis of Japan's industrial development policies at different times, we know that policy measures for a time of developing heavy industry are mainly actions that will bring forth innovative ideas of industrial organization by means of various economic levers and "administrative directives," while policy measures for the development of know-how and technology intensive industries are mainly large-scale use of subsidies and encouragement of "enterprise research and development associations." This, then, makes it necessary for us to employ measures of public finance and taxation, banking, and pricing and also appropriate administrative measures, to energetically promote combining, merging, contracting, and leasing among enterprises, to develop a large number of large-scale enterprise groupings and conglomerates and thus bring about a renovation of the industrial organization. At the same time we must step up reform of the science and technology system, especially the reform of the system of allocating funds for scientific research and of the system

of evaluating scientific and technological achievements, create something similar to the Japanese system of the "enterprise research and development associations," to spur on the institutions of higher learning and scientific research organizations to engage in cooperative development together with the enterprises and similar cooperation between enterprises, and thereby promote the development of high-tech industries.

Even though we emphasize that industrial policy is built on the foundation of independence and self-determination of enterprises and on the competitiveness of the market, we see from Japanese experiences that the realities of the industrial policy cannot avoid "organizational participation" of the government, the more so in the case of China which has a tradition of government intervention in economic activities. It follows that the idea to exclude the role of the government in China's economic life is unrealistic. Under conditions of "organizational participation" of the government, it is highly important to render government policy decisions more democratic, more scientific, and to have government action conducted with greater fairness and honesty. It is thus quite impossible to divorce economy from politics.

AGRICULTURE

Cotton Exports Decline

91CE0027A Beijing JINGJI RIBAO in Chinese
10 Sep 90 p 2

[Article by staff correspondent Liu Shengjin (0491 0581 6651): "Quality, Oh Quality!—A Probe of the Passive Position Into Which China's Cotton Yarn Exports Have Fallen"]

[Text] Pakistan, which in earlier years imported cotton spinning equipment and technology from China, has now become our greatest competitor in exporting cotton yarn. In quantity, quality, unit price, and reputation for prompt delivery of cotton yarn, Pakistan has put the pressure on China, with the result that Chinese cotton yarn is in danger of being squeezed out of the market in Japan, Southeast Asia, and Hong Kong.

Pakistan has essentially captured the medium and low count yarn market in Southeast Asia and the Far East, and now controls prices in these markets. In September 1989 Pakistan intentionally raised the price of its yarn slightly in these markets, thus forcing a strong decline in the selling price of cotton yarn at the Guangzhou Export Commodities Fair [Guangzhou Fair]. In December and again in January 1990 Pakistan shifted course and substantially lowered prices on cotton yarn, thus making it very difficult for China to honor the many cotton yarn contracts agreed upon at the autumn Guangzhou Fair. This caused severe overstocks in domestic sources of cotton yarn and forced China to lower prices significantly at the March Hong Kong Yarn Market and the April Guangzhou Fair. Because the quality of Chinese cotton yarn has been poor and is temporarily difficult to

improve, since the last half of 1989 many foreign customers have lost faith in us and no longer dare to trade in our cotton yarn. Under these circumstances, the price of Pakistani cotton yarn rose substantially in May.

In Hong Kong, Singapore, and Malaysia, Pakistani grade-A, 20-count carded cotton yarn now costs at least 80 dollars more per piece than the same type of Chinese cotton yarn, and Pakistani 32-count and 40-count combed cotton yarn sells for 80 to 120 dollars more than ours. Although the price disparity between the two is so wide, Pakistani yarn is still welcomed by foreign traders, whereas Chinese yarn is hard to sell. From January to March of 1990 Hong Kong imported 110,000 pieces of cotton yarn from Mainland China, down 50 percent from the same period of the previous year, while during the same interval it imported 70,000 pieces from Pakistan, up 150 percent over the previous year. From January to May Chinese exports of cotton yarn to Singapore and Malaysia were down 75 percent from the same period of 1989, having been replaced by Pakistani yarn. In the Japanese market it is even harder for us to compete with Pakistan.

Pakistan's aggressiveness in the cotton yarn market is startling: we must look back and reconsider the competitive means by which the latecomers have surpassed the old-timers.

Originally Pakistan was very backward and making slow progress in the textile industry. In the 1950's and 1960's it built many textile mills, but they produced low-quality goods. In the 1970's China helped Pakistan build textile mills and sent experts to guide them in using their own cotton to begin production. But the quality of Pakistan's cotton yarn remained far inferior to our own.

However, in the past 10 years Pakistani cotton yarn production and exporting has suddenly become a new force to be reckoned with. Pakistan completely abandoned its old low standards, and in accordance with conventional international standards demanded rigorous assessment and inspection of cotton yarn production and product quality. At the same time, it replaced or remodeled a large portion of its original spinning equipment, with most of the textile industry using advanced machinery from Switzerland, West Germany, and Japan. In addition to enacting policies giving cotton spinning mills preferential treatment, the Pakistani government also organizes and coordinates yarn exporting and pricing to protect government and enterprise interests. The proprietors of Pakistani businesses have adopted management measures that reward excellence, punish inferior quality, and draw a sharp line between rewards and punishments, thus stimulating and encouraging worker initiative. These factors have raised the quality of Pakistani cotton yarn exports to a fairly high level.

By comparison, the weaknesses in China's cotton yarn and spinning industries lie in the following points: Existing "State Standards" for cotton yarn are too low, having been relaxed by more than eight percent since

they were put into effect in 1965. As assessed and inspected according to these standards, our "top quality, grade-1" cotton yarn and "superior quality, grade-1" cotton yarn for export are judged far inferior by conventional international standards. Consequently, even though in the raw materials stage our cotton is higher in quality than Pakistani cotton, we are unable to spin a higher quality yarn. Moreover, domestic cotton spinning equipment, except in the three kinds of partially or wholly owned foreign enterprises and the very few state-run cotton spinning mills, is largely obsolete and backwards. Spinning equipment in Shandong, Jiangsu, Zhejiang, Anhui, Hubei, Henan, and Shaanxi—the provinces that have large spinning capacities—is for the most part a mixture of partially up-to-date and partially obsolete Chinese-made equipment. Even in Shanghai, which is recognized as China's number-one textile exporting base, spinning equipment is not up to date. Add to this the fact that in the past few years we have everywhere emphasized quantity over quality, skimped on material and done shoddy work, and manufactured cotton yarn in a rough and slipshod way, and it becomes natural and unavoidable that we should have fallen behind.

There are over 240 cotton textile mills and approximately 5.5 million spindles in Pakistan, and in 1989 that country exported around 1.5 million pieces of cotton yarn, including 15 percent or more composed of combed cotton.

There are over 1,000 large and small cotton textile mills and 33 million spindles in China. In 1989 we exported 800,000 pieces of cotton yarn, only 12.2 percent of which was combed. There is a glaring discrepancy here—an obvious crisis to which we must awaken! "Once the market has been lost it is extremely difficult to recapture it." This is the sincere, earnest advice that Vice Minister of Foreign Economic Relations and Trade Li Lanqing [2621 1526 3237] has given us. "The issue of quality must be approached from the high plane of nationalistic fervor. If we fail to stress the issue of quality there is no way that the Chinese economy can develop. The current crisis in cotton yarn and cloth exporting is essentially a crisis of quality and cost."

Truer words were never spoken! We must quickly whip up a nationalistic fervor! Quality decline has pushed cotton yarn exporting into a crisis, and we can regain dominance in the world market only by improving quality.

China's cotton shortage and lack of cotton spinning equipment are things that are temporarily difficult to change, but we can raise product standards and strictly supervise businesses and the industry; and similarly, we can remedy our inadequacies. Although Beijing's No. 2 State Cotton Mill, Shanghai's Nos. 17, 33, and 34 Cotton Textile Mills, Zhejiang's Yuyao No. 1 Cotton Textile Mill, and Hebei's Handan Nos. 2 and 4 Cotton Textile Mills work with obsolete equipment, they adhere strictly

to high standards, producing a large quantity of high-quality cotton yarn, and are regarded favorably by foreign customers. Why can't other textile enterprises do the same?! We must alter the current state of affairs as quickly as possible and exert ourselves to follow their example. Time and tide wait for no man!

Government Raises Cotton Sales Price

40060008D Wuhan JINGJI XINXIBAO in Chinese
18 Oct 90 p 1

[Text] In 1990 the procurement price for standard grade ginned cotton was raised from 236.42 yuan to 300 yuan per 50 kilograms. Recently, the State Administration of Commodity Prices, Ministry of Commerce and Ministry of Textile Industry decided to raise the sales price [gongying jiage 0180 2019] of cotton.

The sales price of standard grade ginned cotton (grade 3, 27 mm.) of cotton and hemp companies in producing counties will increase from 255 yuan to 324 yuan per 50 kilograms. (In cotton-producing counties of Sichuan the price will increase to 328 yuan and in cotton-producing counties of Liaoning the price will increase to 333 yuan.)

The sales price of standard grade ginned cotton of second-grade stations will increase from 258 yuan to 329 yuan per 50 kilograms. (Second-grade stations in producing areas of Sichuan will increase the price to 333 yuan and second-grade stations in Liaoning will increase the price to 338 yuan.)

The above-mentioned price difference is the delivery price between warehouses in producing counties and second-grade stations in producing areas. Additional expenses incurred will be the responsibility of the party shipping in the cotton. Second-grade stations in producing areas are not allowed in the name of "standardized settling of accounts" or "direct supply" to price cotton supplied from warehouses in producing counties on second-grade station prices.

The cotton sales price of second-grade stations in Xinjiang will increase from 269 yuan to 344 yuan per 50 kilograms.

The sales price for other grades of cotton will be calculated on the basis of the previously set grade differential. Saw-ginned cotton will not be graded and an additional 10.80 yuan will be added per 50 kilograms. (Sichuan will add 10.90 yuan and Liaoning will add 11.10 yuan.)

The sales price of imported and exported cotton will be based on the sales price of second-grade stations for similar quality and price.

Pest Control Measures Promote Wheat Output

OW1411091790 Beijing XINHUA in English
0822 GMT 14 Nov 90

[Text] Beijing, November 14 (XINHUA)—China's wheat crop has increased by 100,000 tons over the past

three years as a result of new measures to control crop-destroying pests on 50,000 hectares of demonstration fields.

The "GUANGMING DAILY" reported today that although rust and powdery mildew are rampant this year in wheat fields in many areas of China, wheat output has increased in fields where the pest prevention techniques have been applied.

Wheat is the major crop in China, covering 28.7 million hectares. But in the past it was threatened by various wheat diseases and pests such as aphids, scab, midge, rust and powdery mildew.

Scientists from the China Academy of Agricultural Sciences and Beijing Agricultural Institute joined with other departments and developed a comprehensive program to deal with such pests in 21 counties over nine provinces and regions.

In addition to insecticides, measures include breeding wheat seeds able to resist multi-diseases, using natural enemies and setting up an overall monitoring network.

By using these measures, farmers are able to use 30 percent less insecticide, the paper reported.

Silk Cocoon Output Suffers Setback

*HK1711020890 Beijing CHINA DAILY in English
17 Nov 90 p 2*

[By staff reporter An Weihong]

[Text] Autumn cocoon output has suffered a decline in some major silk production regions because of drought and plant disease, according to sources in the department concerned.

Mulberry trees, which provide food for the silkworm, were hit by continuous drought earlier this year in China's southern provinces and suffered from disease because of the dry weather and lack of proper care.

Preliminary statistics from the cocoon business department of the China National Silk Import and Export Corporation show that production in Zhejiang Province declined by 7.5 million kilograms this autumn compared with the same period last year, while production in east Sichuan Province fell by 20 percent.

Wujiang County of Jiangsu Province, which used to generate the highest annual output totalling 7.5 million kilograms of cocoon a year, saw a decline of 500,000 kilograms.

The drop in autumn cocoon production will affect silk production next year according to one of the executives of the corporation.

A recent slump in the silk sales market has forced the corporation, which has the monopoly of the trade in China, to cut its export prices by 10 percent recently.

The prices of some silk fabrics have also been cut by between 5 to 8 percent.

The executive said he was confident that the decision, which went into effect in late September, would help to stimulate consumption internationally.

China has long maintained a dominant position in the world silk market with annual exports accounting for 90 percent of the world's total.

Farmers Improve Land With Irrigation Projects

*OW1611161990 Beijing XINHUA in English
1543 GMT 16 Nov 90*

[Text] Beijing, November 16 (XINHUA)—Chinese farmers have started this winter's irrigation projects, and have improved some 670,000 hectares of irrigated land, an official from the Ministry of Water Resources said today.

According to the vice-minister of water resources, Hou Jie, another construction campaign is now in full swing throughout China. Soil erosion on 4,000 square kilometers of land has been brought under control and 1.5 million people and another 500,000 head of livestock have seen the end of a serious water shortage.

Hou said that 43 million people have already contributed to the construction of this year's irrigation facilities.

In order to ensure long-term agricultural development, local provinces have increased their investments in the project, Hou said. The southwestern province of Guizhou, for example, has invested 26 million yuan more than it did last year, while Jiangxi Province in the south allocated 4,000 tons of iron and steel and another 10,000 tons of the cement.

EC Helps PRC Develop Irrigation Facilities

*OW1311184390 Beijing XINHUA in English
1441 GMT 13 Nov 90*

[Text] Lanzhou, November 13 (XINHUA)—A foreign-funded irrigation project, now still under construction, is expected to replace the traditional surface-water irrigation method in Yongdeng County, in northwest China's Gansu Province, with a modern water-saving irrigation system.

Yongdeng County is located on a plateau 1,750 m above sea level. The annual rainfall there is only 226 mm, and the place is frequently afflicted by drought and strong winds.

To improve the irrigation facilities, the Ministry of Foreign Economic Relations and Trade and the European Economic Community (EC) signed a contract in 1988 to set up an experimental irrigation project.

The project, the largest the EC has ever aided China with, absorbs a total of three million European monetary units and 5.3 million yuan.

An official from the provincial Water Conservancy Bureau said that the installation of irrigation facilities, imported from European countries, began in May this year.

The whole project, including a central experimental station, 20 ha of experimental fields and field experimental projects in Shuping and Xicao townships, is expected to be completed in 1992.

To date, work on the station and 20 ha of experimental fields has been completed, and 60 percent of the irrigation facilities in Shuping and Xicao townships has been finished and winter irrigation has started.

The irrigation equipment embraces varieties of stationary, semi-stationary and movable sprinklers, as well as droplet irrigation and drip irrigation.

The 20 ha experimental field has already produced a total of 4,500 kg of soybean, 3,500 kg of potatoes, 10,000 kg of radishes and 2,500 kg of unhusked rice as well as 10,000 kg of Chinese cabbage.

Per ha autumn grain production of the 66 ha of farmland in Fangjiapo village, Xicao township, increased by 750 kg after the implementation of sprinkler irrigation.

In order to assure that the project can progress smoothly and bring increasing benefits to farmers, the provincial government has organized a local irrigation management association to direct seeding and irrigation work, and also to undertake installation, repair and protection of the irrigation facilities.

Peter Klein, an expert sent to China by the EC, said that the project aims to replace China's traditional wasteful surface-water irrigation with water-saving irrigation. He said he expected more Chinese farmers to master this technology and spread it to drought-vulnerable areas in north China.

Drought Hits Several Provinces

OW1611144490 Beijing XINHUA in English
1245 GMT 16 Nov 90

[Text] Beijing, November 16 (XINHUA)—Some 6.44 million hectares of farmland in China's Henan, Shandong, Hebei, Shaanxi Provinces and northern parts of Jiangsu and Anhui Provinces have been affected by drought, a spokesman for the Ministry of Water Resources said today.

Drought has been most serious in Henan Province in central China, where 2.6 million hectares of farmland were affected. The eastern part of Sichuan Province was also afflicted with a severe drought.

According to the forecasts by the Central Meteorological Observatory, less rainfall is expected in most parts of China this winter and next spring.

The Ministry of Water Resources has called on the local provinces to get ready to combat drought.

Export of Cereals, Food in Oct Reported

HK1611093990 Beijing CEI Database in English
16 Nov 90

[Text] Beijing (CEI)—Following is a list showing the volume of China's export of cereals, oils and food in October 1990, released by the General Administration of Customs:

Item	unit	Oct. 1990	Oct. 1989
Pig	head	264,777	245,712
Poultry	in 10,000	440	372
Beef	ton	5,686	2,462
Pork	ton	12,386	7,381
Chicken	ton	5,223	2,355
Rabbit	ton	1,553	2,218
Egg	in 1,000	34,545	49,708
Aquatics	ton	26,644	25,832
Fish	ton	2,532	3,828
Prawn	ton	6,750	7,810
Cereals	ton	329,021	346,430
Rice	ton	26,839	24,488
Soybean	ton	37,931	62,774
Pulses	ton	92,825	39,323
Maize	ton	138,196	182,271
Vegetables	ton	92,745	95,180
Fruit	ton	48,060	41,106
Orange	ton	330	603
Apple	ton	32,648	28,005
Sugar	ton	26,257	94,667
Canned food	ton	40,556	41,728
Pork	ton	5,485	7,151
Vegetables	ton	26,464	24,742
Fruits	ton	6,022	6,015
Others	ton	2,585	3,820
Vegetable oil	ton	9,058	4,273
Peanuts	ton	39,277	7,766

Report on Cane Sugar Production in Guangxi

HK1411110390 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 10 Nov 90

[Excerpt] Over the past 10 years, a momentum of sustained increase in production output of cane sugar has occurred in our region. During the sugarcane pressing period from 1980 to 1981, the acreage under machine-pressed sugarcane in the whole region was 1.44 million mu, and production output of sugar was 421,000 tons. However, during the pressing period from 1988 to 1989, the acreage under machine-pressed sugarcane in the whole region increased to 3.88 million mu, and production output of sugar reached 1,140,000 tons. During the

pressing period from 1989 to 1990, the acreage under machine-pressed sugarcane further increased to 4.1 million mu, and production output of sugar increased 1,282,000 tons. During the pressing period from 1990 to 1991, the acreage again increased to 4.4 million mu, and it is expected that production output of sugar will exceed 1,400,000 million tons. Record high figures were registered over the past three years.

The percentage of sugar production output of our region in the whole country has increased from 7.5 percent of the period shortly after the founding of the PRC to the present 25 percent, ranking second in the country. Cane sugar industry has become a pillar industry for invigorating Guangxi's economy. [passage omitted]

Guangxi Peanut Area

*40060009B Nanning GUANGXI RIBAO in Chinese
4 Oct 90 p 1*

[Summary] This year the spring peanut area in Guangxi exceeded 2,160,000 mu, the average per mu yield was 96 kilograms, and gross output was 207 million kilograms. Guangxi has procured 4,394,000 kilograms of peanut oil, a 37.2 percent increase over the same period in 1989.

Hunan Adopts Measures To Protect Hog Production

*91CE0027B Beijing JINGJI CANKAO in Chinese
21 Sep 90 p 2*

[Article by staff reporter Yang Xiqing (2799 0823 3237): "To Prevent 'Harm to Peasants Due to Cheap Hogs,' Hunan Adopts Measures To Safeguard Hog Production"]

[Text] Telegram Changsha—Hunan has adopted practical measures to safeguard hog production and ensure a turnaround in the monetary losses hog farmers have been experiencing. Production is again on the increase.

Hunan is China's number one hog-producing province. The first half of 1990 saw a slump in hog production as the price of hogs declined, hog farmers lost money, and "marketing difficulties" grew more numerous, directly affecting peasant incomes. The Hunan people's government adopted a series of measures to prevent hog production from declining. It immediately issued its "Circular on Further Stabilizing Hog Production and Accomplishing Successful Marketing and Procurement." At the plenary session convened in July, leading cadres in the provincial government suggested that hog procurement should receive price protection to prevent "harm to peasants due to cheap hogs," and that during the peak buying season special procurement prices should be set within the province and procurement restrictions and refusals should be prohibited. The provincial government also decided to set aside, by stages, 5 million kg of fodder grain at parity to support production on hog farms at all levels. In succession, governments of each prefecture, municipality, and county also purchased a

total of 11.5 million kg fodder grain to set aside at parity, set up a revolving fund of more than 1.3 million yuan, established a 12.5 million-yuan line of low interest credit, and priced 14,000 tons of fodder at preferential rates, all for use in aid of hog production and to back specialized households engaged in hog farming.

At the same time, the Hunan provincial government also continued to emphasize deregulation of meat markets and live hog prices, establishment of a diversified economy with a minimal number of links in the production chain, and prohibitions on the institution of barriers, blocks, or disguised impediments to hinder the circulation of hogs. Circulation of hogs into Guangdong has now increased somewhat and "hog marketing difficulties" have been alleviated.

Controlling fodder prices is one important means of promoting the growth of hog production. Because Hunan has adopted comprehensive protective measures, prices of corn, wheat bran, bean cakes, fish meal, and other feeds have dropped about 10 percent since the same time last year, and five to six percent since June of this year. In 1990 most places in Hunan have seen increases in summer grain and early rice yields. Peasant households have ample feed supplies and prices have declined steadily, creating favorable conditions for developing hog production.

In addition, scientific hog-rearing techniques have become more widespread, and the popularization of artificial insemination, mixed feeds, and inoculation against disease have raised economic returns for hog-farming households. Competition for the all-province "Animal Husbandry Promotion Award" established this year in Hunan has effectively stimulated growth in hog production.

According to agricultural department projections, by the end of 1990 Hunan will have slaughtered 500,000 more hogs and also have 700,000 more hogs remaining in stock than in 1989.

Hunan Hog Procurement

*40060008E Changsha HUNAN RIBAO in Chinese
24 Oct 90 p 1*

[Summary] From January to September state-run food companies in Hunan Province procured 3,750,000 hogs and sold 2,120,000 hogs, increases of 16.7 percent and 34.9 percent respectively over the same period in 1989. In the first nine months of 1990, Hunan shipped 1,380,000 hogs to Guangdong and Guangxi, a 34.6 percent increase over the same period in 1989.

Hunan Reaps Bumper Harvest of Cotton

HK1611115690 Changsha Hunan Provincial Service in Mandarin 2300 GMT 12 Nov 90

[Text] This year, our province has reaped a bumper harvest of cotton despite flooding and other natural calamities. The total cotton output of 1.75 million mu of

cotton fields is expected to reach 105,000 metric tons, which is an increase of 57 percent over last year. By 25 October, a total of 14,000 metric tons of ginned cotton had been put in storage, nearly 60,000 metric tons more than the same period last year. An overall increase in cotton output has been achieved in 45 major cotton production areas of our province. The gross cotton output of Changde city, the biggest cotton production base of our province, may reach more than 52,500 metric tons. The gross output of 430,000 mu of cotton fields in Yueyang city is expected to reach more than 30,000 metric tons, the highest in history. The output of Yiyang prefecture, which was at a low level in the past few years, may increase by 60 percent this year. The per-mu yields of the Qianyang Farm and Huarong, Anxiang, and Nanxian counties are all expected to top all previous records. At present, various cotton production counties are summing up their experiences and studying measures for next year's production.

Wool Procurement Situation in Inner Mongolia
91CE0057A Beijing JINGJI RIBAO in Chinese
13 Oct 90 p 2

[Article by Liu Deyou (0491 1795 2589): "Review of the Procurement and Marketing of Wool in the Inner Mongolia Autonomous Region"]

[Text] Although commercial practice dictates that one should not lose money in business, wool supply and marketing cooperatives in the Inner Mongolia Autonomous Region are operating in contradiction to this principle. Even after incurring 75 million yuan of losses in 1989, their exclusive control over wool procurement has continued in 1990. In the first half of 1990, they lost 48 million yuan. By the end of July, they had 62,000 tons of wool worth 840 million yuan in stock, on which they have to pay 200 million yuan a year of bank loan interest.

How can this strange phenomenon of losing propositions be explained? Sharp conflicts exist in the competition for profits between the production and circulation sectors under the soft market structure, which revolves around procurement, marketing, allocation, and storage of industrial raw materials and manufactured goods. State macroeconomic regulation and control is bound to involve chessgamelike choices as to which interests are to be sacrificed and which are to be safeguarded. Sacrificing partial, local, and immediate interests, while safeguarding general interests and long-range development programs, is a key policy during the period of improving the economic environment and rectifying the economic order, to ensure the sustained, steady, and coordinated development of the national economy. In this sense, supply and marketing cooperatives should continue to procure and market agricultural sideline products, such as wool, even though it is a losing proposition.

Their spirit of self-sacrifice in taking the state macroeconomic situation into account by safeguarding the vital interests of farmers and herders, is commendable.

Inner Mongolia's wool, cashmere, and camel hair account for one-fourth, one-third, and two-thirds, respectively, of China's total output. Based on the lowest guaranteed procurement price this year, farmers will earn 700 million yuan in income, and local finance departments 70 million yuan in livestock industry product taxes. Manufacturing these raw materials into finished products will create an output value of 2 billion yuan, profits of 200 million yuan, and export earnings of \$100 million. Taking these huge sums of money into account, the Inner Mongolia Autonomous Regional People's Government has categorically decided to retain exclusive management and accessory policies in 1990 for the wool and cashmere that is urgently needed by the state-owned wool industry.

Inner Mongolia had more wool in stock at the beginning of 1990 than its wool industry would need in a year. A survey by the livestock sector early in 1990, found that farmers had 10,000 tons of old wool in stock, and the capacity to produce over 50,000 tons of new wool in 1990. Procuring all of this wool would overwhelm the management sector with a series of problems, such as fund shortages, overstocking, and severe losses.

Faced with these difficulties, the cadres, staff members, and workers in Inner Mongolia's supply and marketing cooperatives at all levels subordinated their departmental interests to overall national interests, peasant incomes, and wool enterprise production. It was predicted over and over that, while the system would lose a maximum of 200 million yuan in two years of exclusive wool management, this would be offset by 3 billion yuan in overall profits to the whole society. After weighing the pros and cons, the higher authorities decided in early April on a do-or-die exclusive wool management plan.

By the middle of August, the over 1,200 basic-level supply and marketing cooperatives throughout Inner Mongolia had strictly implemented the state's wool procurement plans, surmounted unimaginable difficulties, and procured 33,473 tons of wool and 1,732 tons of cashmere, fulfilling 83.4 percent and 86.6 percent respectively, of planned procurement, and surpassing their normal year's procurement schedule. However, wool sales were sluggish, stocks rose steadily to 62,097 tons for a new record.

Faced with this heavy burden, some staff members and workers became very worried and appealed to all social circles to help eliminate the "obstacles" in the field of circulation. However, the members of the board of directors of these collective economic organizations (supply and marketing cooperatives) and the proprietors of livestock products companies had come up with a well-thought-out plan and, through thorough investigation, study, and deliberation, had already found a solution to the problem.

Professionals found through a national survey that since the PRC wool industry's existing 2.7 million spindles had an annual need for over 200,000 tons of washed wool, only one-third of which could be met by wool produced in China, the overstocking of wool was a temporary phenomenon. As long as more farsightedness was shown, a renewed demand could be found for the temporarily soft wool market. As investigation showed that most of the losses incurred by wool dealers were due to interest payments on bank loans, which the special circumstances made hard to avoid, wool dealers must absolutely not act twice shy because they had been bitten once.

The consensus of opinion that was reached on this point enabled Inner Mongolian supply and marketing cooperatives to find new ways to digest losses and promote wool sales. "Supplementing internal losses with outside sales, and using waterways when overland routes were blocked," became their strategy for extricating themselves from their predicament and looking for a new lease on life.

Strictly adhering to the state pricing policy, the Dong Ujumqin Banner Supply and Marketing Cooperative procured 1.2 million kilograms of wool and 70,000 kilograms of cashmere from livestock raisers at minimum guaranteed prices. To cover losses incurred by interest payments on funds tied up in overstocked wool, they carded and processed cashmere on their own to increase its value, they have already earned 3 million yuan in gross profits, and are looking forward to 2 million yuan in net profits by the end of 1990.

Was there indeed a market for Inner Mongolia's wool? Could wool dealers actually turn losses into profits? The business methods of the Otog Front Banner Supply and Marketing Cooperative are worthy of emulation. Due to the soft wool market in Inner Mongolia, the director of the banner's cooperative achieved satisfying results by leading a group tour of businessmen all the way to the area south of the lower reaches of the Changjiang River between the spring and summer of 1990 to find customers. By the end of July, it had shipped 1.6 million kilograms of its procured 2 million kilograms of high-grade fine wool to woolen mills in cities, such as Shanghai and Wuxi. It earned profits of 1.2-1.4 yuan per kilograms of wool which, together with its income from cashmere, will net it a 1990 profit of 3.2 million yuan.

One reason wool is still overstocked in Inner Mongolia, is that while procurement plans have been implemented strictly, marketing plans have basically failed. Could the local wool industry consume most of Inner Mongolia's wool? Under the current conditions of the general restructuring of industrial product mix, it would certainly not be hard for the wool industry, with its 80,000-spindle manufacturing capacity, to consume 10,000-100,000 tons of wool.

While most enterprises have been complaining incessantly about being on the brink of incurring losses, the

Tongliao No 1 Woolen Mill, which has taken the approach of synchronized improvement of production, marketing, and efficiency, shows prospects of achieving a good cycle.

The secrets of this enterprise's operating success are that it has taken great pains to restructure its product mix, and has increased sales by setting quotas for all of its personnel. Since sales of woolen goods sagged in the spring of 1989, it has been producing one new product every three days, and has developed over 100 new varieties in a little over a year. Its No. 31053 wool-polyester Sheweini won a silver medal in Inner Mongolia, and was chosen to be sent to the purchasing center for the 11th Asian Games.

This enterprise's high-quality, inexpensive, and marketable products were well received by customers at a recent woolen goods sales exhibition in Tongliao City, where spot sales of 15 million yuan reduced its stocks by 80 percent. It purchased 300 tons of local wool from January to July, plans to stock 1,500 tons of goods in 1990, has already earned profits of 7.6 million yuan, and is the best woolen enterprise throughout Inner Mongolia.

This enterprise's production and management approach and success reflect a philosophy of self-reliance. If this approach were used by everyone, the soft woolen goods market could be strengthened, and the idea that manufacturing goods with wool produced in China is necessarily a losing proposition ought to be eliminated. Provided the wool industry persists in reform, implements the contract management responsibility system thoroughly, learns from the experiences of advanced enterprises conscientiously, enhances its capacity to meet emergencies, and explores and pioneers constantly, it will certainly be able to usher in a new era.

Once this is accomplished, a new and increased demand for wool will certainly appear in the wool industry, and both the industrial and commercial sectors will be able to overcome their slumps and get onto paths of spiral development.

Jiangxi Sets Guaranteed Price for Rice

40060008F Nanchang JIANGXI RIBAO in Chinese
26 Oct 90 p 1

[Summary] The guidance price for negotiated purchases of late rice of medium grade (including hybrid late rice) in Jiangxi Province is 36 yuan per 50 kilograms.

Jilin Increases Control Over Grain Seeds

SK1511231090 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 14 Nov 90

[Text] In order to enhance the role of grain seeds in increasing production, the provincial people's government has decided to monopolize the business of grain seeds. It has stipulated that the hybrid corn and sorghum seeds will be monopolized by the specialized units in charge of seed transactions at or above the county level

or at the regiment-county level, which are subordinate to the agricultural administrative departments. The original hybrid corn and sorghum seeds will be monopolized under the arrangement of the provincial seeds general station by the specialized units in charge of seed transaction at provincial and prefectural levels, which are subordinate to the agricultural administrative departments. The agricultural sciences institutes and teaching units may produce seeds in compliance with the law and breed the fine seeds which have been approved as monopolized. However, they should ensure that their seed production accords with the province's plan for both seed supply and production. Townships, towns, and the agricultural technical popularization stations, which have facilities for seed transactions, may sell the monopolized seeds for the county authorities on a commission basis.

Jilin Develops Commodity Grain Bases

*SK1911015990 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 17 Nov 90*

[Summary] The province has scored tremendous achievements in building commodity grain bases. The 28 commodity grain base counties and cities produced a total of 58.3 billion kg of grain in the four years from 1986 to 1989. With a cultivated land less than 50 percent of the province's total, these counties and cities have produced a grain output accounting for 95 percent of the province's total. During these four years, these 28 counties and cities sold 25.7 billion kg of commodity grain to the state, accounting for 90 percent of the total commodity grain sold by the whole province to the state. This year, these counties and cities have again reaped a bumper harvest in grain.

Jilin Beet Output, Procurement Results Reported

*SK1411140890 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 12 Nov 90*

[Text] By the end of October, Jilin Province procured 960,000 tons of beets and fulfilled its procurement plan by 80 percent. The province's beet procurement is expected to reach about 1 million tons, a 40 percent increase over 1989. The province's characteristics in beet production this year are as follows: 1) Governments at all levels have attached importance on beet production. 2) Measures adopted for developing beet production have been effective. 3) The acreage of farmland on which beet seedlings have been bred has topped the previous peak and the per unit beet yield has been upgraded on a large scale. 4) The procuring work of beets has improved, with which peasants have expressed satisfaction. 5) Most sugar refineries in the province will be full of raw materials this year.

Jilin Reaps Bumper Harvest in Rice, Soybean

*SK1411074390 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 13 Nov 90*

[Summary] Our province has reaped a bumper harvest in paddy rice, soybean, and sunflower seeds this year. As of 10 November, the province has stored 217,000 tons of paddy rice, 158,000 tons of soybean, and 241,000 tons of sunflower seeds.

Cotton Procurement in Liaoning

*SK1411141390 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 12 Nov 90*

[Summary] Liaoning Province has reaped a bumper cotton harvest this year. By 5 November, the province procured 182,000 dan of cotton which is equal to 1.5 times the figure of procured cotton achieved in the same period of 1989.

Liaoning Acting Governor Speaks on Agriculture

*SK0811020690 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 6 Nov 90*

[Text] From 2 to 5 November, Yue Qifeng, deputy secretary of the provincial party committee and acting provincial governor, heard reports given by responsible comrades of the agriculture, grain, supply and marketing, and six other departments, and spoke on his opinions on matters related to Liaoning's agricultural development.

Our province's agricultural situation has been very good this year, with the output of grain and soybeans hitting an all-time high. The output of various crops showed an all-round increase, the output of wheat, corn, and fruits was an all-time record, and the production of such cash crops as cotton, oil-bearing crops, and beets also picked up. However, the pressure on the province's grain production remains very great because the foundation for its agriculture is still weak, its urban population is large, its industry occupies a larger proportion than agriculture, the ratio of its grain to be purchased under contract is high, and 8 million of its 22 million agricultural population still rely on the grain resold by the state.

While affirming the achievements, Comrade Yue Qifeng spoke on two views. One was on how to understand the position of agriculture as the foundation of the national economy and the relationship between agriculture and the large-scale industry, and the other was on solving the problem of food supply through our own efforts. He said: Liaoning is a province large in industry but small in agriculture. To stabilize Liaoning and make its grain supply sufficient, we should truly regard agriculture as a basic industry. Liaoning's agriculture has made a tremendous contribution to the development of its large-scale industry. We may say that Liaoning's peasants have made some sacrifice. Liaoning's industrial development is attributed in part to the sweat and toil of its peasants. To stabilize Liaoning and ensure sustained and stable

development in its grain production, we should give play to its advantage in the large-scale industry to develop agriculture. This is the responsibility of Liaoning's large-scale industry. We should be clear about this viewpoint, stress it, and exert great efforts to publicize it.

He said: With regard to its grain supply, Liaoning should basically realize self-sufficiency in five years or a little longer period of time through its own efforts. Localities relying on the grain resold by the state should strive for self-sufficiency at an early date. As production conditions have improved, it is possible for them to achieve self-sufficiency as long as they carry out their work successfully.

When hearing the reports, Comrade Yue Qifeng stressed on many occasions that a decrease in the grain resold by the state in the localities relying on resold grain would be like an increase in their production. These localities, including the counties in the eastern part of the province, should put forward the goals for self-sufficiency in grain supply in a few years. This is a way to solve the problem in food supply and reduce financial subsidies.

When hearing reports on the development of Liao He delta and the construction of marketable grain production bases, acting Provincial Governor Yue Qifeng said: Agricultural development consists of development in range, meaning expansion of cultivated land, and the development in quality, meaning transformation of low- and medium-yielding farmland. Liaoning still has a great potential for land development, and it is possible for it to develop several hundred thousand mu of land every year. Many basic conditions can be changed gradually. Expansion of irrigated land is an important way to increase grain production. Liaoning's irrigated land is still inadequate. If water irrigation can be guaranteed in a half of its 50 million mu of cultivated land, its grain production can be increased steadily. In our future water conservancy constructions, we should regard expansion of irrigated land as an important task.

In these three days when acting Provincial Governor Yue Qifeng heard reports, the development of township enterprises was always an important issue he was concerned about. In 1989, our province ranked fourth in the country in the output of township enterprises and fifth in both the profits of these enterprises and the profits and taxes they turned over to higher authorities. However, compared with the provinces and municipalities whose township enterprises developed fairly rapidly, our province still lagged far behind. With an economic pattern in which heavy industry occupies a very large proportion, how should we understand the position of local industries? This was a question raised by Yue Qifeng on many occasions to the comrades who gave reports. He emphasized: Liaoning should develop its advantages in the large-scale industry, the heavy industry, and the large cities to lead the development of agriculture, light industry, and rural areas so that urban and rural areas can develop in a coordinated manner.

He pointed out: Liaoning's township enterprises are still in a developing period. Planning, finance, tax, and banking departments should support their development with funds and other means possible. A certain amount of investment in township enterprises should be maintained every year so that they can be invigorated, and can muster their efforts and gradually form a group of satellite cities. In short, policies in support of township enterprises should be worked out so as to accelerate their development. Counties and districts should study and use well the existing policies and use them adequately.

Acting Provincial Governor Yue Qifeng also spoke on his opinions on the work in the fields of forestry, water conservancy, aquatic products, farm products, farm machines, and grain supply and marketing.

Shaanxi Builds Large Chemical Fertilizer Plant

*OW0611214690 Beijing XINHUA in English
1556 GMT 6 Nov 90*

[Text] Xian, Nov 6 (XINHUA)—Work on the Weihe Chemical Fertilizer Plant, the largest of its kind in northwest China's Shaanxi Province, started today on the outskirts of Weinan City.

The project will cost 1.4 billion yuan, which includes 200 million U.S. dollars in loans provided by foreign governments.

The plant has a designed annual production capacity of 300,000 tons of synthetic ammonia and 520,000 tons of urea. It is expected to be completed in 1994.

At the moment, the province spends more than 100,000 U.S. dollars on importing fertilizer each year. The plant is expected to alleviate the fertilizer shortage and lay a solid foundation for agricultural development in Shaanxi, a provincial agriculture official said.

Adjustment Urged in Shanxi Grain Policies

*91P30029A Beijing JINGJI CANKAO in Chinese
26 Sep 90 p 2*

[Text] By investigating links in the circulation of grain, the Shanxi provincial government's Agricultural Research Center has recently discovered that some inequitable national and local policies have increased the difficulties of purchasing and selling grain.

Grain procurement is now carried out at the county level, and grain rights reside in the provincial government. Procurement funds are scarce and the entire burden of purchasing grain falls on the shoulders of local grain departments. The province's inability to ship grain has not only meant the loss of large amounts of funds but has also adversely affected the management of grain enterprises. Because parity grain and oil subsidies have been too low, expenses have grown yearly. Since Shanxi's fiscal contract system places responsibility at the local level, local finance has not been sufficient to cover all

expenses. The brunt of the financial burden has fallen on enterprises, causing them to suffer losses year after year.

There are many problems associated with low subsidies and the financial losses resulting from parity policies. Over the past several years, state subsidies have covered only the selling, storing, and shipping of grain; they have not covered grain procurement. Areas that ship in and market a great deal of grain receive an inordinate amount of subsidies, while areas that purchase large volumes of grain suffer increasingly large losses. In addition, since market prices and contract prices diverge, to guarantee that state procurement quotas are met, the grain procurement departments have changed the former practice of requiring peasants to bring their grain to the departments to sending officials out to procure the grain directly from the peasants. This change has increased the number of expenses.

The gap between fixed and market prices in the current grain market has prompted government departments to use administrative measures to intervene in the grain market to guarantee that state procurement tasks are fulfilled. As a result, grain markets have closed every year during the buying and selling season.

These problems have created a vicious circle, adding difficulties to purchasing grain and adversely affecting grain production. Departments and personages involved in these issues have suggested adopting the following measures:

For grain purchases at negotiated prices, Shanxi should establish a special fund for grain reserves. The interest and grain procurement costs that enterprises pay could be subsidized by the fund.

In the province's major grain producing areas, the government should raise subsidies for parity grain and oils and for losses that have resulted from poor policy planning. Also, the province should increase grain procurement subsidies. Enterprises shipping grain into Shanxi from an outside province should be obliged to pay the same management fees that they would be charged for shipping grain from another county within Shanxi. The provincial government should appraise and establish new quotas for subsidies covering grain storage expenses, based on current commodity prices.

Over time, Shanxi's major grain production areas should change from shipping unprocessed grains to shipping finished grain products. Production areas would process the grain on the spot. This would free up shipping and increase the income of enterprises in these areas. Production facilities could use leftover bran as animal feed, thereby developing the livestock industry.

To correct the dislocation between the province's current grain storage facilities and its grain production development, the government should not close down the grain market again, but should allow peasants to go to the market in the years to come and engage in free trade.

Shanxi Winter Wheat Area

*40060008C Taiyuan SHANXI RIBAO in Chinese
19 Oct 90 p 1*

[Summary] As of 10 October, the winter wheat area in Shanxi Province was 14,730,000 mu, fulfilling 96.9 percent of the plan, and an increase of more than 800,000 mu over the same period in 1989.

Sichuan Grain Prices Reported

*40060009A Beijing JINGJI XIAOXIBAO in Chinese
17 Oct 90 p 2*

[Summary] From August to 17 October, the average market price for rice in Sichuan Province has been 1.04 yuan per kilogram, wheat 0.79 yuan, corn 0.70 yuan and vegetable oil 4.90 yuan. The Sichuan provincial government has set the lowest guaranteed procurement price for rice at 1.00 yuan per kilogram. Because corn sales within Sichuan have declined and a large amount of corn is being shipped into Sichuan from other provinces, corn prices have continued to fall. The latest corn procurement price is only 0.56-0.60 yuan per kilogram, compared to a delivered price of 0.66 yuan for corn purchased from other provinces. The current procurement price for wheat is 0.82 yuan per kilogram. Sichuan has about 140 million kilograms of edible oil in stock. In addition, a large amount of imported rapeseed and palm oil is entering Sichuan and rapeseed oil prices are falling. The price has dropped from 5.69 yuan at the beginning of 1990 to 4.90 yuan per kilogram, which is lower than the actual cost price.

Good Cotton Harvest Reported in Sichuan

*HK1611120090 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 13 Nov 90*

[Text] The cotton production areas of our province have conquered all kinds of unfavorable factors and reaped a good harvest this year. With a feeling of great joy, the broad masses of peasants in these areas are vying with one another to sell cotton to the state. By 1 November, the province had already procured a total of 1.4 million dan. It is expected that the total procurement this year will be increased by more than 20 percent over last year. The supply and marketing cooperatives in Neijiang, Suining, and Leshan are doing very well in cotton procurement work. Their quality is good and their speed is fast. In October, the supply and marketing cooperatives in Nanchong prefecture had put in storage 272,000 dan of ginned cotton, which was the highest since 1984. The banks provided them with the necessary funds without any delay so that the phenomenon of giving IOU's might not appear again.

Changes Planned for Juvenile Delinquency Trials

*OW0311203690 Beijing XINHUA in English
1536 GMT 3 Nov 90*

[Text] Nanjing, Nov 3 (XINHUA)—A senior judge today asked the people's courts at all levels to work hard to ensure that in the near future all youth crimes will be handled by courts for juvenile delinquency.

Lin Zhuen, vice-president of the Supreme People's Court, said today that judges should cooperate with experts on youth crimes in studying the patterns and social causes of the juvenile delinquency and work out ways to reduce youth crimes.

The judge made these remarks during the national meeting concerning the trials of juvenile delinquents which ended today.

Lin said that China has established 862 courts of juvenile delinquency at different levels, and has gained some experience in the trial of young offenders.

The judge said that before 1988 the courts of juvenile delinquency focused their attention on trial procedures concerned with the physical and psychological conditions of young offenders. However, since 1988 the focus has been on research concerned with rendering proper sentences to errant youth.

In addition to the courts of juvenile delinquency, some local public security and judicial organs have established preliminary trial sections of juvenile delinquency and have designated lawyers to defend the young offenders, Lin said.

In their efforts to save the juvenile delinquents the departments have also attempted to win the support of society at large and to help the delinquents resume their studies or employment once they are back to society, Lin said.

The young offenders who have gone through the courts of juvenile delinquency seldom commit crimes again. Lin said that in Fujian Province alone only 0.6 percent of young offenders tried in courts of juvenile delinquency in the past two years committed crimes again, while the average rate was 17.8 percent between 1983 and 1986.

Rural Education Reform Proves Successful

*OW0211134390 Beijing XINHUA in English
0734 GMT 2 Nov 90*

[Text] Beijing, November 2 (XINHUA)—A program to reform basic education in China's rural areas has proved successful and has a bright future.

The "Prairie-Fire" program, approved by the State Council and put into practice in August 1988, is being implemented in 859 counties and 3,326 townships throughout the country, according to today's PEOPLE'S DAILY.

The program aims at raising the cultural level of farmers and promoting economic and social development in the countryside.

The program conforms to China's actual conditions, thus winning extensive support. It includes integrating rural education with local economic construction, training scientific personnel for the vast rural areas and raising the cultural level of farmers.

It has greatly promoted the economic development in China's rural areas, said the newspaper.

It cited Yangyuan county, one of three counties in Hebei Province which piloted the rural education reform, as an example. Until 1983 the annual per capita income of the county was only 70 yuan, far lower than the poverty line of 200 yuan.

In early 1987 the State Education Commission carried out a rural education reform experimentation in Yangyuan. It was a success, and by the end of the year the rural per capita income of the county had increased to 289 yuan, compared to 135 yuan per capita in 1986.

By the end of 1989, the total agricultural output value of the county doubled that in 1986, and the per capita income had reached 433 yuan. The county's investment in education had also increased 1.3 times compared to 1986.

The State Education Commission thus worked out the "Prairie-Fire Program" based on the successful experience in the three experimental counties and spread it throughout the country.

The state allocates 60 million yuan in loans each year to support the smooth implementation of the program, according to the paper.

A survey conducted early this year in 500 experimental townships shows that the per capita income of farmers in these townships amounts to 659 yuan.

Handicapped Participate in More Cultural Activities

*OW0911233690 Beijing XINHUA in English
0647 GMT 9 Nov 90*

[Text] Beijing, November 9 (XINHUA)—China has made headway in promoting cultural activities for disabled people in recent years, according to the Beijing-based newspaper CHINESE CULTURE GAZETTE.

There are now 593 cultural centers in China for the 51.64 million disabled people, who account for 4.9 percent of its population.

Over the past few years, the paper said, 28 provinces, municipalities and autonomous regions have staged 380 performances participated by more than 3,700 disabled people from amateur art troupes.

Last year, an art troupe comprising disabled people from east China's Zhejiang Province gave 45 performances in nine cities within two months.

Early last year, 1,000 people nationwide gathered in Beijing to take part in the second National Art Rehearsal for the Disabled and to set up the Chinese Handicapped Art Troupe which gave 10 highly-praised performances in the capital.

And in September last year, the troupe performed "Longing for Light," the first dance drama staged by deaf people in China, at the second Chinese art festival in Beijing.

On New Year's day this year, the Guangdong Federation for the Handicapped held a theatrical evening party called "Light of Special Art," jointly with the provincial TV station.

In addition, the article said, disabled people were also displaying their talents on the international stage.

Last year, the Hunan Deaf-Mutes Theatre won first prize at the sixth International Deaf-Mute Show Festival held in Czechoslovakia.

And art troupes composed of deaf people from Shanghai and Beijing gave performances in Japan and Hong Kong.

The Chinese Handicapped Art Theatre added lustre to the international special art festival held in the United States last year before going on to tour the Soviet Union, Yugoslavia and Japan where it was highly acclaimed.

Beijing had more than 80 cultural centers where handicapped people could take courses in photography, calligraphy, art and stamp-collecting, the paper said.

And Shanghai had set up nine tape libraries for the blind.

Rest Homes for Discharged, Retired PLA Cadres**Temporary Rules Published**

*91P30024A Beijing ZHONGGUO SHEHUI BAO
in Chinese 21 Aug 90 p 2*

[“Text” of “Temporary Provisions on Rest Homes for Discharged and Retired Cadres”]

[Text] [Box, p. 2]

People's Republic of China, Ministry of Civil Affairs, Decree No. 3:

“The Temporary Provisions on Rest Homes for Discharged and Retired Armed Forces Cadres,” already approved by the Ministry of Civil Affairs Ministerial Service Conference on 14 June 1990, are now published, and will be in effect from 1 September 1990.

Minister Cui Naifu, 18 July 1990 [end box]

Article 1: In accordance with the directive of the Central Committee of the Communist Party of China, the State Council, and the Military Commission of the Central Committee of the Communist Party of China, the Ministry of Civil Affairs will supervise retired and discharged cadres after they have been transferred to a locality. In order to ensure the success of the retired and discharged cadres service administration, these regulations have been formulated.

Article 2: The rest homes for discharged and retired armed forces cadres (including service centers, hereafter referred to as cadre rest homes) main responsibilities are that, in accordance with the party's and government's general and specific policies and regulations concerning settling the discharged and retired cadres, societal and political benefits of the armed forces retired and discharged cadres must be realized, their usefulness must be developed, and they must be allowed to peacefully live out their latter years.

Article 3: The rest homes for discharged and retired armed forces cadres are facilities under the leadership of the Ministry of Civil Affairs, undertaking the actual work of service administration for the armed forces discharged and retired cadres. Every level of the Ministry of Civil Affairs must strengthen its leadership over the cadre rest homes, help solve problems that come up during the work, and unceasingly improve work quality.

Article 4: The Ministry of Civil Affairs at every level should simplify policy and devolve power, so that “all organs, funds, vehicles, and material are used as stipulated” to ensure the rest homes' right of use and management and their independence for production and operation in regard to their people, funds, and equipment, and to give full rein to their zeal, initiative, and creativity.

Article 5: The cadre rest homes will implement the following leadership system: The managers of the rest

homes will take full responsibility, the party organs will ensure supervision, the armed forces discharged and retired cadres will democratically participate in management.

Article 6: The rest home managers' main responsibilities are to lead implementation of the administration of the homes and supervise successful management of services to the armed forces discharged and retired cadres. The retirement home managers, when implementing democratic policy to confront large problems, must adhere to the principles of democratic centralism.

Article 7: According to the relevant party constitution regulations, the most important responsibilities of the rest homes' party organs are to strengthen the essence of one's ideology, organization, and work style; exploit the party branch as a combat fortress and the vanguard party members as role models; ensure and supervise the implementation of related party and national policies, both general and specific; and ensure the proper running of the rest homes.

Article 8: The armed forces discharged and retired cadre administrative committee for the cadre rest home is an armed forces discharged and retired cadre internal organization that is self-educated, self-sustaining and self-supervising. The members of the administrative committee are to be elected by democratic process. Their major duties are to assist the manager of the cadre retirement homes and the party organization in successfully establishing the cadre retirement home by their coordination, supervision, and the giving of advice. The elder cadres' reasonable ideas should be acted upon, and the elder cadres' lawful rights and interests should be safeguarded.

Article 9: The cadre rest homes should strengthen their political and ideological work, and all rest home employees should be educated in supporting the four basic principles opposing bourgeois liberalization; in the party line, general principles and policies; in arduous struggle; in revolutionary traditions and in organizational discipline. They should instruct the workers in establishing an ideology of wholeheartedly serving the armed forces discharged and retired cadres, adhere to professional ethics, and raise the quality of service and the level of administration. They should instruct the armed forces discharged and retired cadres in upholding their revolutionary integrity in their latter years. There should be respect and understanding among the comrades and a strengthening of unity.

Article 10: Simplify setting up the cadre rest homes' organizations. The proportion of workers must be higher than that of cadres. Implement the contract methods to pick workers. Give public notice for the position of the rest home manager to be filled as required.

Article 11: The cadre rest homes should be run diligently and without waste. Strengthen the building of clean government, create and perfect every rule and regulation.

Article 12: The cadre rest homes should implement democratic supervision. Pay attention to developing zeal and creativity of the workers and the retired personnel; their suggestions for the cadre rest homes must be encouraged and supported. "Open policy, open economics, and open supervision" should be carried out.

Article 13: The basic services for the cadre rest homes are items that are collective in nature: Organize the armed forces discharged and retired cadres to read documents and listen to announcements, launch all kinds of recreational and sports activities, have their just rewards realized, and to the best of one's ability, help them solve any problems they encounter in life.

Article 14: The cadre rest homes should help the public health department with the task of successfully medically treating the armed forces discharged and retired cadres, earnestly help them solve any problems encountered in seeing physicians, and promptly arrange emergency help for seriously ill patients.

Article 15: The cadre rest homes should launch a few activities to manage production in order to invigorate themselves. The production management activities should strictly follow related national policies and be run according to law. The profits from running the department should be open to the public and equitably divided.

Article 16: The cadre rest homes should improve administrative services for armed forces discharged and retired cadres who are settled in dispersed locations and act in accordance with applicable policies and regulations so that every type of the cadres' just reward can be realized.

Article 17: The civilian affairs departments administration of every province, autonomous region, and city under direct government control should, in accordance with the spirit of this regulation, integrate the local area's situation and draw up the area's method of implementation.

Party Building Stressed

91P30024B Beijing ZHONGGUO SHEHUI BAO
in Chinese 21 Aug 90 p 2

[Text] "The Temporary Provisions on Rest Homes for Discharged and Retired Armed Forces Cadres" are the basic regulations for setting up administrative services for cadre rest homes. Its promulgation and implementation have great significance for the furthering of cadre rest home construction, for greater fulfillment of the political and social treatment of discharged and retired cadres, and for the standardization, normalization, and legalization of cadre retirement home administration.

The supervision and resettlement of the armed forces discharged and retired cadres are a new responsibility given to the civil governmental departments by the party and the government. Over the past few years, civilian departments at every level, following the party's and

government's directives on discharged and retired cadres, have conquered every difficulty, accepting and settling 50,000 of them.

So that cadres may better realize their political and life rewards and peacefully pass their later years, more than 1,400 rest homes for discharged and retired armed forces cadres have been constructed across the country, and as many as 10,000 workers and several thousand automobiles have been allocated to them. Civilian departments at every level are, on the one hand, paying special attention to accepting the resettlement, and on the other hand, are constructing rest homes. The armed forces discharged and retired cadres service administration work is already on track, and large numbers of advanced cadre retirement homes have emerged and have had great accomplishments. We should point out that there are a few provinces, autonomous regions, and municipalities directly under the central government that have a few rest homes that are below standard or not quite up to standard. Even in the well-run rest homes, there are a few weak links. Looking at the reasons for this, a very important factor is the lack of nationwide unified "rules and regulations" on rest homes for discharged and retired armed forces cadres. Every area has urgently requested that statutory regulations be worked out as soon as possible so there are laws for the work to follow. Now "The Temporary Provisions on Rest Homes for Discharged and Retired Armed Forces Cadres" have finally been promulgated and put into effect. Civilian departments at every level should all resolutely carry these out to the fullest extent.

In order to successfully implement this temporary provision, first of all civilian departments at every level must strengthen their leadership and fully propagandize the laws until the workers and retirees are all totally clear; fully implementing the temporary provisions is a very important factor in building rest homes. By means of implementing the temporary provisions, they will arouse everyone's sense of responsibility, pool wisdom and efforts, and promote the construction of the retirement homes.

Second, acting strictly in accordance with the temporary requirements of the provisions, systemize the organization of the leadership bodies, with the rest home heads taking full responsibility, the party organizations ensuring supervision, and the armed forces discharged and retired cadres democratically participating in management. With these three groups working closely together, giving reciprocal support, doing with all one's might what one decides to do, then and only then will the cadre rest homes fulfill all their responsibilities and will the work forge ahead. Here the chief's role is extremely important, civilian departments at every level must pay attention to selecting the best rest home managers who are staunch in political conformity and resolute in work; who understand policy, know how to supervise, are honest in performing one's official duties; and who will serve the elder cadres enthusiastically.

MILITARY, PUBLIC SECURITY

Third, "civil departments at every level should simplify the procedures and devolve power so that each organization plays its role, all funds are correctly spent, every vehicle and all materials are used as intended, ensuring that the rest homes have right of use and management and their independence for production and operation in regard to their people, funds, and equipment," and thereby give full play to the homes' good points, initiative, and creativity. Thorough supervisory investigations must be made frequently to guide the rest homes to make

good use of their independent rights, in order to raise the level of the armed forces discharged and retired cadre service management work to new heights.

The temporary provisions are only the basic general regulations as far as cadre rest home construction is concerned, each civilian bureau should integrate the local area's actual situation and draw up detailed and realistic local rules to make the temporary provisions have an impact in the realm of reality.

EAST REGION

Officials Attend Anhui Militia Theatrical Soiree

OW0711041890 Hefei ANHUI RIBAO in Chinese
30 Oct 90 p 1

[Excerpts] The Anhui Theater in Hefei was permeated with a fervor of love for the country and support for the Army on the evening of 26 October. A wonderful soiree featuring songs, dances, dramas, and short theatrical pieces climaxed a provincial militia theatrical festival with the theme of "I Treasure National Defense."

Attending the soiree were Hong Xuezhi, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; Lu Rongjing, Zhao Baoxing, Shao Ming, Du Hongben, Zhao Huaishou, Xu Shiqi, Shen Shanwen, and He Yan; responsible comrades of party, government, and Army organizations in Anhui; and leading comrades of military academies and schools in the province.

At the soiree, Zhang Honggui [1728 1347 6311], vice chairman of the organizing committee of the provincial militia theatrical festival and director of the Political Department of the Anhui Provincial Military District, made a speech to sum up the festival.

The political department of the provincial military district, the provincial culture department, and the provincial radio and television department in May of this year jointly proposed and sponsored an Anhui provincial militia theatrical festival with the theme of "I Treasure National Defense," in order to step up ideological education and cultural development and to conduct extensive education in national defense among the people of the province. [passage omitted]

According to statistics, more than 20,000 militiamen and women participated directly in activities related to this theatrical festival. Programs for the festival were performed 53 times in various prefectures, cities, and counties, with a total attendance of over 100,000 people. [passage omitted]

Female Officials on Increase in Shanghai

HK0911141690 Hong Kong ZHONGGUO TONGXUN
SHE in English 1240 GMT 9 Nov 90

[“Increasing Number of Female Officials in Shanghai”—ZHONGGUO TONGXUN SHE headline]

[Text] Shanghai, November 9 (HKCNA) [ZHONGGUO TONGXUN SHE]—Shanghai, China's largest city, has in recent years made significant progress in fostering the placing of more female officials in higher positions in the work force.

In 1989, there were 341,700 female officials in such positions, 38 percent of the total and up 3 percent from the 1983 figure.

The number of female officials designated as departmental head went up 0.3 percent, while those with the position of divisional chief increased by 0.8 percent.

It is seen as gratifying that there are now females occupying important posts at the senior municipal level such as Municipal Party Committee Secretary, Mayor, Committee Chairman of the National People's Congress and Chairman of the Chinese People's Political Consultative Conference.

Females account for 43.3 percent of the total of various professional sectors in Shanghai and 72.8 percent of those in the city's medical and health departments.

Of a total of 131 female officials of divisional chief level, 25 have been commended for their performance. These include manageresses of foreign trading companies and investment companies and directors of Shanghai's Customs department. They have had much success in their spheres of work and are at the frontline of reform and the opening policy.

CENTRAL-SOUTH REGION

Guangxi Holds Village Organization-Building Forum

HK0711140190 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 5 Nov 90

[Text] The regional conference on village-level organization building began in the regional people's government's auditorium this morning.

The conference is aimed mainly at relaying the spirit of the National Forum on Village-Level Organization Building in Rural Areas, analyzing the present state of village-level organizations in the rural areas, summarizing and exchanging experiences in strengthening village-level organization building, and holding discussions on the question of how to strengthen village-level organization building by strengthening party branch building and the question of how to expand and develop the collective economy.

The deputies attending the conference include county party committee secretaries from various cities and prefectures, organization department and propaganda department directors of various prefectural and city party committees, public security bureau chiefs from various prefectures and cities, and responsible comrades of various departments directly under the regional authorities.

The regional leaders attending the conference include Zhao Fulin, Cheng Kejie, Liu Mingzu, Hou Depeng, Zhong Jiazu, Zhao Yiseng, Lin Chaoqun, Peng Guikang, Wang Zhuguang, Li Jiwu, Wang Rongzhen, Liang Chengye, Shi Qingsheng, Wang Yuyang, and others.

Liu Mingzu, deputy secretary of the regional party committee, presided over this morning's meeting.

Bai Xianjing, regional civil affairs department director, relayed the spirit of the National Forum on Village-Level Organization Building in Rural Areas at the meeting.

The conference also intends to more clearly define the orientation and basic tasks of strengthening village-level organization building.

Apart from relaying the spirit of the National Forum on Village-Level Organization Building in Rural Areas, the conference will also exchange advanced experiences of regional models in strengthening village-level organization building, study regional measures of building village-level organizations, and make work arrangements for this coming winter.

The conference will last five days.

SOUTHWEST REGION

Sichuan Works on Minority Cadre Development

91CM0023A Chengdu SICHUAN RIBAO in Chinese
15 Sep 90 p 1

[Article by Shen Zuzheng (3088 4371 2398): "Percentage of Minority Cadres Increases, Quality Improves"]

[Text] From 30 August through 2 September, the provincial party committee's Organization Department, the provincial Personnel Department, and the provincial Minorities Commission called a provincewide work conference on developing and choosing minority cadres.

The central themes of the conference were the analysis and study of the current status of efforts to build up the ranks of minority cadres in Sichuan province; the special characteristics of the development, choice, use, and growth of minority cadres; and ways to further improve Sichuan Province's methods of developing and choosing minority cadres.

During the conference representatives from the provincial Education Committee and 13 different municipalities, prefectures, autonomous prefectures, and counties, including Liangshan, Ganzi, Aba, Qianjiang, and Leshan spoke about actual conditions in their own districts and departments.

They unanimously agreed that construction of the ranks of minority cadres in Sichuan Province has entered the best period in history since the Third Plenary Session of the 11th Central Committee. This situation is demonstrated in three main ways: 1) The proportion of minority cadres throughout the province has risen gradually, and their quality has risen steadily. We have basically succeeded in making minority cadres the main body of leadership groups at every level in minority districts. Minority cadres already account for 49.9 percent of all cadres in administrative organs in minority districts. 2) We have adhered to the practice of sending ethnic Han cadres in an organized, planned manner to

work in minority districts. They have played an important role in the construction and development of minority districts. This corps of cadres is still an important force today in the construction of minority districts. 3) The structure of leadership groups at every level in minority areas has been greatly improved, and ideology and prevailing practices have been strengthened. At the same time, many issues involving the theory and policies of choosing and developing minority cadres need to be earnestly researched, explored, and perfected in order to meet the needs of social, economic, and cultural development in minority areas. Participants also expressed opinions regarding the work of cadres in minority districts in the future.

Leading cadres from the provincial party committee's Organization Department, the provincial Minorities Commission, and the provincial Personnel Department spoke about developing and choosing minority cadres. They also spoke about cadre and personnel work in minority districts.

Return of Secret Sects Alarms Sichuan Authorities

HK1211030390 Hong Kong SOUTH CHINA MORNING POST in English 12 Nov 90 p 21

[By John Kohut]

[Text] Their world is full of ghosts and devils. They rape, and they swindle. But in the mist-covered hills of Sichuan, inhabited by simple town folk and semi-literate peasants, the Yiguan Dao's seductive promise of a new millennium has won it followers, as well as a powerful enemy.

"They want to be kings!" said Liang Changfei, mayor of Neijiang, where police have been trying to crack down on the Yiguan Dao, or "Way of Basic Unity Society," a secret sect whose philosophies contain elements of Taoism and Buddhism.

After the communists came to power in 1949, they struck without mercy at secret sects like the Yiguan Dao, which, despite its philosophical pretensions, was primarily a network of thugs that tyrannized peasants and workers in China's ungovernable cities before Liberation.

In the northern port city of Tianjin, for example, some 4,000 Yiguan Dao leaders were rounded up in 1950. By the end of the campaign against secret sects in 1951, more than a quarter-million people in that city alone had admitted, and then dutifully renounced, their affiliation with the Yiguan Dao.

The sect was silenced, until the 1980s, years of relative political relaxation when five religions—Buddhism, Taoism, Islam, Catholicism and Protestantism—were given a chance to revive, albeit under strict government control.

Though branded by the Communist Party as a superstitious rather than a religious group, the Yiguan Dao nevertheless has re-emerged like a ghost from the past to haunt Chinese officials.

An official survey at the end of last year found that 90 per cent of China's 800 million peasants were superstitious and 60 per cent of them engaged in superstitious practices.

The Yiguan Dao has clearly capitalised on the naivety of rural and even city people in Sichuan, though it is impossible to estimate how many followers it has gained.

One official report said the activities of the Yiguan Dao and other secret societies in Sichuan over the past few years have been "extensive," covering wide areas with many people involved. The Yiguan Dao has penetrated even the big, relatively sophisticated Sichuan cities of Chengdu and Chongqing.

"They (the Yiguan Dao) have enrolled many followers and set up 'worship halls,' held services of worship and gathering, and spread the rumour that in another decade or two, the times of the Tao will come...a saint will emerge, who is none other than an emperor," according to the same report.

Some of their secret meetings have gathered crowds of more than 100, it noted.

All of this has alarmed local authorities. In November last year, after 10 months of investigations, police uncovered three secret sects, arresting six of their chieftains, two of them from the Yiguan Dao.

Neijiang official Kang Xianwen said the Yiguan Dao ring has now been broken, though some of its leaders are still at large.

Neither Kang nor Mayor Liang, whose authority extends beyond the grey industrial city of Neijiang into surrounding rural counties and districts covering a total area 12 times the size of Hong Kong, would reveal what had happened to the six arrested leaders, saying that was a matter for the police. But Kang cited the official policy: "We execute the ones that should be executed, and jail the ones that should be jailed. We don't," he was careful to note, "execute everyone."

"Our country's laws protect legal religions, but the Yiguan Dao is a political organization," said Mayor Liang. "It's feudal, superstitious phenomenon and a counter-revolutionary organisation. They oppose socialism, the party and the four cardinal principles (the tenets of modern-day Chinese socialism)."

Moreover, according to Mayor Liang, the Yiguan Dao has cheated people out of money by, among other things, selling mixtures of ashes and mud as magic potions to cure diseases. Holding people against their will and raping women are two crimes of which the Yiguan Dao has been accused.

Why the Yiguan Dao and other sects have made a comeback, and why in Sichuan, has to do in part with the "low cultural level of many peasants and city dwellers," according to mayor Liang.

By official statistics, about 23 percent of China's adult population was still illiterate during the 1980s. The problem of illiteracy is most acute among peasants. Sichuan, China's most populous province, has a higher percentage of farmers than any other part of China—82 per cent of the province's 107 million people.

The Yiguan Dao's return from the past is also doubtlessly linked to the disillusionment with socialism that has spread across China, not only among the youth and intellectuals who have clamoured for more political freedom, but also among those in remote, impoverished areas of the country who feel they have been left behind as others prospered under Deng Xiaoping's economic reforms.

Many have turned to the officially-recognised religions, yet sometimes the lines between religion and superstition blur.

At the Shengshui Buddhist temple in Neijiang, for instance, a master of Qigong, a mystical traditional art approved by the government, offers a back cure without as much as touching his patient. Instead, the doctor makes the patient stand with his eyes closed, feet together, and arms stretched out.

It all seems like magic as he makes incantations and blows and whistles, thus transmitting his "qi." The doctor has ordered three local officials to strike the same pose as his patient. The officials, who have taken note of the doctor's photo of veteran Chinese leader Bo Yibo being treated in Zhongnanhai by a Qigong master, comply without so much as a whimper.

On the streets of the provincial capital, Chengdu, do-it-yourself fortune-telling is on sale. For instance, one can buy what is called a "psychological rhythmic slide rule" to calculate, based on one's birthdate, auspicious and inauspicious days. It may look like superstition, but the "rhythmic slide rule" business is not likely to come under police scrutiny—the device is manufactured by the People's Liberation Army.

Deyang Steel Factory Adjusts to Economic Slump

91CM0023E Chengdu SICHUAN RIBAO in Chinese
14 Sep 90 p 1

[Article by Zhou Youhan (0719 0147 3352) and Lai Xinshu (6351 2450 5771): "Economy Deteriorates, But Ideology Must Not Deteriorate"]

[Text] The Deyang Steel Factory, a Sichuan Province steel industry combined company, has readjusted its product mix in a timely manner, increasing production of products in high demand in order to meet the needs of the market and survive the market slump, and in so

doing has achieved significant success. From January through August this year, the entire factory's total output was over 100,000 tons, an increase of 47.17 percent over the same period last year. Profits on sales also rose by more than 20 percent.

At the beginning of this year, this steel factory, whose production and operations had always been relatively good, had great difficulty selling its products because of fewer infrastructure projects and reduced sales of construction materials. The factory head promptly began working to educate workers and staff throughout the whole factory on the following theme: "The market is in a slump, but our spirits do not slump; the economy is deteriorating, but ideology must not deteriorate." He encouraged everyone to achieve a clear understanding of the situation, brace their spirits, and break out of their difficult straits. At the same time, the factory dispatched personnel to conduct a broad market study. They discovered that, although the number of urban infrastructure projects was falling and regular steel was not selling, basic energy industries such as coal mining were continually developing and needed more and more light rails. The factory was just in the right position to take advantage of the light-rail shop it had put into production last year. The factory promptly reduced production of the raw and threaded steel used in construction and concentrated on tapping the potential of equipment on hand. It acquired more large equipment, wire rod mills, cranes, cars, and lathes, and increased production of light rails and other high-demand formed-steel products needed by mines. The eight-kilogram and 11-kilogram light rails produced by the factory meet or surpass state standards, and the users are very satisfied. None of the 26,800 tons of formed steel produced this year has gone unsold, and this item alone has yielded 29,200 yuan in taxes on profits.

While readjusting the product mix, the factory has also adhered to the operational program of "basing production on sales and using sales to stimulate production." The factory has begun work to perfect and organize itself, readjust and fill out the sales force, and broaden marketing channels by strengthening supply, marketing, and management work. Supply and marketing personnel have been assigned different districts, and responsibility has been assigned to individuals. They have visited 400 new and old clients in 19 provinces (municipalities) throughout the country to sell various products and learn what the clients need in terms of product selection, specifications, and quality. By the end of August, the factory had collected more than 5.9 million yuan in profits on sales, and it had established itself as a supplier of raw and semifinished materials to Pangang Steel and other large steel manufacturers. It opened up marketing channels to more than 430 materials departments, thereby gaining a secure foothold for itself in an extremely competitive market.

Sichuan Construction Bank Supports Key Projects

*91CM0023D Chengdu SICHUAN RIBAO in Chinese
14 Sep 90 p 1*

[Article by Li Yinghe (2621 5391 0678), journalism student, Sichuan University: "Provincial Construction Bank Supports Key Construction Projects"]

[Text] The provincial construction bank is sparing no efforts in its work to supply credit funds for key construction projects in order to assure smooth progress on these projects. This year from January through August, the provincial construction bank released 670 million yuan in loans for 32 key construction projects in Sichuan Province in agriculture, energy, transportation, posts and telecommunications, and raw and semi-finished materials. This figure represented 70 percent of the annual quota.

The provincial construction bank adopted a method of making special appropriations of funds within the state plan for key projects, based on labeled instructions from above, in order to ensure that every bit of the state funds and bank credit funds earmarked for key projects is actually used there. The progress of some projects indicates that the bank's release of temporary operating fund loans and its early supply of funds has been appropriate for the needs of construction. From January through August, it has used many methods to supply 100 million yuan in temporary operating fund loans to six key projects, including the Ertan power plant, the Jiangyou power plant, and the Baozhu temple. In July, the Tongjiezi hydroelectric plant was in urgent need of funds to make a prepayment on some equipment, so the bank sent a person on a special trip to Beijing to raise 20 million yuan, thereby resolving a very pressing problem for the Tongjiezi hydroelectric plant. There was a relatively large shortage of funds for this year's planned investment in second-phase construction at Pangang Steel Plant because a bond issue and efforts by those carrying out the construction to raise funds on their own were not completely implemented, so the bank broke with its usual practice of releasing only one month of funds at a time by providing 30 million yuan in temporary operating funds. In so doing, the bank supplied ahead of schedule all the 108 million yuan in loans. In August it loaned another 90 million yuan, thereby ensuring continued progress on the project.

Railway Bureaus Aid Deyang Flood Relief Effort

*91CM0023B Chengdu SICHUAN RIBAO in Chinese
15 Sep 90 p 1*

[Article by Jiao Weixia (3542 0251 0204): "Railway Departments Help Relieve Disaster Victims in Deyang, Vice Governor Pu Telegrams Thanks to Ministry of Railways"]

[Text] Vice Governor Pu Haiqing [5543 3189 3237] went to inspect the effects of the disaster in Deyang Municipality upon public transportation enterprises

there and express condolences to the victims. He also sent a telegram to the Ministry of Railways, the Chengdu Railways Bureau, and the Chengdu Railways Subbureau to express gratitude for their unstinting efforts to assist trapped staff and workers in various mining enterprises in their hour of need.

On 28 August and 8 September, disastrous thunderstorms hit Deyang Municipality. Railways and highways were severed in many places by mudslides. Along the Gaojingguan stretch of the Guangshui line, 1,900 cubic meters of mud broke loose, the Chengdu end of the Macaotan tunnel was blocked, and an air vent collapsed. The Yuejiashan train station was buried under more than 10,000 cubic meters of mud. About 20,000 workers and staff in mining enterprises along the line were trapped and in danger. The Chengdu Railways Bureau rushed the director and deputy director of the Chengdu Railways Subbureau to the disaster site, where they spared no effort to organize relief efforts. On 15 September they decided to resume traffic between Gaojingguan and Macaotan to help ship relief supplies and resolve difficulties plaguing daily lives and production. After inspecting relief efforts at Gaojingguan, Macaotan, the Yuejiashan train station, and the Jinhe phosphorus mine, Vice Governor Pu Haiqing, Vice Mayor He Yulong [0149 3768 7893], and comrades from relevant provincial-level organs praised the way the Chengdu Railways Subbureau embodied the spirit of "the people's railways are for the people." They also sent a telegram to express their thanks to Li Senmao [2621 2773 5399], minister of railways.

Wan County Battles Fluorine-Caused Disease

91CM0023C Chengdu SICHUAN RIBAO in Chinese
15 Sep 90 p 2

[Article by Dai Chenzhi (2071 1368 1807): "Wan County Overcomes the 'God' of Plague"]

[Text] Local diseases which have been plaguing the masses in the Wan County district for a long period of time have been basically eliminated and controlled. Breakthroughs have been made in work to prevent and cure the most pernicious of these diseases—those caused by ground fluorine. The efforts have recently garnered praise from the Ministry of Health, the Ministry of Agriculture, and the provincial government.

For natural and historical reasons, Wan County has always had one of the highest rates of local diseases in Sichuan Province. After liberation, the party and the government were especially concerned about the health problems of people living in mountainous areas, so they vigorously supported the prevention and cure of disease in areas where it was epidemic, enabling this district to achieve the standards set by the ministries for eliminating and controlling disease. Ground fluorine, which results from burning coal, causes the most widespread and virulent of the local diseases in the district. When high-fluorine coal is burned, the fluorine contaminates grain, vegetables, and the air, and via these media people

absorb excessive doses of it over long periods of time, which causes damage to various organs throughout the body. With the vigorous support of the provincial government, the Ministry of Health, and eight other state ministries and commissions, in the last three years Wushan, Wuxi, Fengjie, Yunyang, and Kaixian have launched work to prevent and cure ground fluorine diseases. This work primarily involves having people burn coal with lower fluorine content, and significant success has been achieved. By the end of last March, 67,350 stoves were switched to low-fluorine coal, freeing more than 270,000 people from ground fluorine diseases, improving the health of the people, and promoting the development of production.

Lhasa Hosts Region's Largest Buddhist Festival

OW1411114590 Beijing XINHUA in English
1122 GMT 14 Nov 90

[Text] Lhasa, November 14 (XINHUA)—A serene and cheerful atmosphere still envelops this clean city, just as it did six days ago when Lhasa—the capital of the Tibet Autonomous Region—hosted the year's largest religious festival for Tibetans.

The "Lhapab-Tuiqen" of Tibetan Buddhism which fell on November 9, or September 22 according to Tibetan calendar, was celebrated as the day the gods descend to the world and live with their believers.

Tibetans in and around Lhasa whitewashed rooms and thoroughly cleaned their houses that day in order to properly greet the gods and the good luck they bring. Even though work to renovate Potala Palace was still going on, it appeared even more magnificent as it towered over Hong Mountain in the center of the city.

On the morning of the festival, two five-star red flags fluttered in the heavy incense smoke, while Buddhists packed the Johkang Temple—the most ancient representation of Tibetan architecture—to pay religious homage to Sakyamuni, the Buddha.

However, the Zhebung (Vbras Spungs) Monastery was host to the greatest crowds. This temple, which is located in western suburbs 10 kilometers from the city proper, was the site of recitations interpreting Buddhist scriptures. The recitations were scheduled at noon every day for ten days.

Master Lam Rim who is viewed as a saint and is held in the highest esteem by Tibetan Buddhists preached each day to several thousands of Buddhists in the monastery's largest scripture hall.

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Beijing Lawyers Warned of Disciplinary Sanctions

HK0911104290 Beijing CHINA DAILY in English
8 Nov 90 p 3

[By staff reporter Chang Hong]

[Text] The Beijing municipal judicial authorities will impose disciplinary sanctions against those lawyers who have been found violating professional ethics.

They will probably have their licenses suspended or be dismissed from the agencies in which they work.

The move is part of the effort initiated in August in the capital to eliminate malpractice in the legal profession.

According to the Municipal Justice Bureau, a lawyer in the city's Western District has been found to be seeking bribes totalling 3,000 yuan (\$640) from his clients and would now be barred from acting as a legal agent and possibly face expulsion from office.

"A lawyer needs to project an image of honesty and justice and any irregularity damages the reputation of all lawyers in the capital," said the bureau director Sun Changli.

A September publicity rally held at Zhongshan Park beside Tiananmen Square marked the beginning of the six-month campaign. More than 1,300 out of the 1,700 lawyers in the capital attended the rally.

The move coincides with the current campaign all over the capital to curb malpractice in government offices, service industries and all other businesses.

The move consists of four phases.

During the first phase, Sun said, lawyers have been required to discuss some "basic questions" as to their roles and working ethics.

In the following periods, law offices in the capital must conduct self scrutiny to see if their members are suitable for the job both ethnically and professionally.

During the campaign, clients are encouraged to report any wrongdoings by lawyers, Sun said.

As the final procedure, all 45 law offices in the capital would be inspected next February and those which fail would not receive a license to practise.

Novices Inducted Into Beijing Novitiate

*OW0411085090 Beijing XINHUA in English
0712 GMT 4 Nov 90*

[Text] Beijing, November 4 (XINHUA)—Ten novices were inducted into the Beijing novitiate today at a ceremony held at the Nantang Catholic Cathedral in southern Beijing.

Bishop Michael Fu Tieshan of the Beijing diocese presided over the ceremony, which was attended by some 500 worshippers, including the parents and relatives of the novices.

Beijing diocese reopened a convent and its novitiate in 1987. Nuns who completed their studies there were sent to study nursing at professional schools and colleges.

There are now about 40,000 Catholic worshippers in Beijing. A dozen Catholic churches, a seminary of theology, a convent and a novitiate have been set up in Beijing area.

New Catholic Church Opens in Rural Beijing

*OW3010091190 Beijing XINHUA in English
0821 GMT 30 Oct 90*

[Text] Beijing, October 30 (XINHUA)—A new Catholic church opened Monday in Tongxian County in the eastern suburbs of this Chinese capital.

Michael Fu Tieshan, bishop of the Beijing diocese, officiated at a consecration ceremony there attended by over 200 church-goers.

According to Lu Qinan, secretary-general of the Beijing Patriotic Catholic Association, the Long Zhuang Church (also known as the Church of the Immaculate Conception) was the seventh church built with local money.

Beijing now has 13 Catholic churches.

Inner Mongolia Democratic Association Congress Ends

SK0811032890 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 5 Nov 90

[Text] The first Inner Mongolia Autonomous Regional Congress of the China Democratic National Construction Association successfully concluded in Hohhot this afternoon after a three-day session. Attending the closing ceremony were regional leaders Shi Shengrong, Butegeqi, Cui Weiyue, Wu Ligeng, and Tu Ke, as well as Zhou Junqiu, director of the United Front Work Department of the regional party committee.

The congress was guided by the CPC Central Committee's opinions on persisting in and perfecting the system of multiparty cooperation and political consultation under the leadership of the CPC. While in session, the congress delegates conscientiously summarized past work and defined future tasks in line with the region's reality, discussed and adopted the work report of the preparatory group for the Inner Mongolia Regional Committee of the China Democratic National Construction Association, and elected and produced the first Inner Mongolia Regional Committee of the China Democratic National Construction Association. (Chen Youzun) was elected chairman of the first regional committee of the China Democratic National Construction Association, (Zhou Zhaozhuang) and (Chen Li) were elected vice chairmen of the committee, and (Liu Baoming) was elected secretary general of the committee.

It was decided at the congress that all local and grassroots organizations and all members of the Inner Mongolia Regional Committee of the China Democratic National Construction Association should clearly understand the current situation, define tasks, seek unity of thinking, and bravely forge ahead in unity. They also

should hold high the banners of patriotism and socialism under the leadership of the newly elected regional committee of the China Democratic National Construction Association. Finally, they should make even greater contributions in promoting and perfecting the system of multiparty cooperation and political consultation under the leadership of the CPC, in accelerating China's four modernizations drive, in fulfilling the three short-term fighting goals of the region, and in creating a new situation in the work of the Inner Mongolia Regional Committee of the China Democratic National Construction Association.

Inner Mongolia Adopts Rules on Cadre Exchanges

SK0811124090 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 6 Nov 90

[Text] The regional party committee recently adopted some regulations on implementing the system of exchanging leading cadres of party and government organizations and some disciplinary regulations on the appointment, removal, and transfer of cadres; and it set some specific and definite demands on the scale, conditions, and principles for cadre exchanges.

According to the regulations on cadre exchanges, leaders at the league, city, department, and bureau levels may be exchanged between leagues and cities, between departments and bureaus, or between various leagues and cities and various departments and bureaus; and party and government leading cadres of various banners, counties, cities [shi], and districts may primarily be exchanged within their own leagues and cities. Attention should be given to cadre exchanges between localities where the commodity economy is relatively flourishing and talents are relatively numerous, and localities that are relatively poor and short of talent. Attention should also be given to cadre exchanges among banners, counties, cities [shi], districts, and sections and bureaus directly under the jurisdiction of league and city authorities.

As demanded by regulations, in exchanging cadres, we should persist in the principles of being reasonable and impartial and of seeking truth from facts, and we should resolutely correct the unhealthy tendencies of failing to transfer out and transfer in cadres and thus excluding cadres from the outside. In addition, we should fully appraise the political integrity and professional specialties of cadres, and then exchange them as is appropriate to their respective localities and individuals, in order to meet the demand of building the region's material and spiritual civilizations and the demand of reform and opening up. In conducting cadre exchanges, we should observe the principles of optimizing the group structure of leading bodies, strengthening the overall function of leading bodies, providing cadres with an environment where each can give full play to his talent, and promoting the building of clean politics. Cadre exchanges should be conducted in a well-guided, planned, and step-by-step manner, and should be connected, as far as possible, to

the end-of-term election and reorganization of leading bodies. All levels of party committees and their organizational departments must pay careful attention to the exchanges of cadres, and conscientiously and painstakingly attend to various work concerning cadre exchanges on the basis of summarizing experiences and conducting full investigations and studies. During the whole process of cadre exchanges, ideological and political work should be stressed. We should, through various forms, vigorously propagate the great significance of cadre exchanges, clear up all kinds of confused ideas, remove all kinds of ideological obstacles, and enhance the cadres' ideological capacity to adapt themselves to cadre exchanges. We should appropriately solve practical problems for cadres who are transferred in order to rid them of trouble at home.

The regulations stress that in exchanging cadres, organizational discipline should be executed strictly. Leading cadres at all levels should correctly approach this normal change in their work and should consciously cherish this good opportunity to temper themselves. Before their exchanges are decided by organizations, all cadres should keep their minds on their work and wholeheartedly devote themselves to their duties. Once their exchanges are decided by organizations, they should firmly obey the decisions. Those who refuse to obey the decisions by organizations should be seriously criticized and educated. Those who still refuse to obey after being criticized and educated should be removed from their posts immediately and should, if necessary, be punished by the party and administrative discipline in line with the seriousness of their cases. Cadre exchanges are a regular work readjustment. Those leading cadres who are incompetent at their present posts and whose posts need to be readjusted should be demoted, removed, or readjusted as they deserve, according to pertinent regulations. As for the cadres who have been appointed or removed according to laws and who have been employed by election, their exchanges should be conducted according to legal procedures with the close coordination of various departments in order to ensure the smooth progress of cadre exchanges.

With regard to the discipline for appointment, removal, and transfer of cadres, the provincial party committee has adopted 12 specific disciplinary regulations, such as strengthening management of cadre appointment, removal, and transfer; correcting and overcoming unhealthy trends in cadre appointment, removal, and transfer; ensuring the organized and planned progress of cadre appointment, removal, and transfer; and ensuring the smooth implementation of the system of cadre exchanges.

Tianjin To Continue Campaign Against Crime

SK0911065090 Tianjin City Service in Mandarin 2300 GMT 8 Nov 90

[Text] On the morning of 8 November, the commission of political science and law under the municipal party

committee held a telephone conference to implement the guidelines from the telephone conference held by the Central Commission of Political Science and Law and the instructions for the municipal party committee, and to make arrangements for the continued municipal campaign of striking hard at serious crimes. Municipal Leaders Lu Xuezhang and Song Pingshun attended and spoke at the conference.

Lu Xuezhang said that, since the beginning of this year, under the unified leadership of the municipal party committee and the municipal government, Tianjin Municipality has launched special campaigns one after another to eliminate the six vices and deal blows against theft and robbery, thus scoring great achievements. In addition, some serious criminal offenders have been punished severely. Party committees and governments at all levels as well as all pertinent departments have done a great deal of fruitful work for these campaigns; and the vast number of cadres and policemen of public security, political, and judicial departments, the armed police fighters and commanders, security cadres, and public security activists have thought nothing of the hardships and conducted successive fights, thus making important contributions to stabilizing the overall situation of the municipality.

He pointed out that, at present, the economic rectification and improvement have seen good initial results. However, there are still many problems that cannot be ignored, and the present state of public security is still relatively grim. In line with the unified dispositions of the Central Commission of Political Science and Law and with the guidelines of the instructions from the municipal party committee, we should continue to strike hard at serious criminal offenses by persisting in the principle of striking as severely and promptly as possible in an effort to carry out the campaign of striking hard at crimes in a penetrating and down-to-earth manner.

In his speech, Song Pingshun summarized the situation and the major experiences gained from the campaign of striking hard at serious crimes over the past six months. In the past six months, the municipality as a whole cracked 6,389 criminal cases, 1,120 of which were major cases, rooted out a number of criminal gangs, arrested and seriously punished according to law a number of serious criminal offenders, and ferreted out and seized a number of criminals fleeing hither and thither and escaped offenders.

He also set some demands on the campaign of dealing blows to crimes in the future: 1) We should spread propaganda among the masses through various channels and forms. 2) We should proceed from the actual situation, make the major cases stand out, and effectively launch activities to pursue and capture escaped criminals and the criminals fleeing hither and thither. 3) We should continue to launch the campaign of eliminating the six vices and resolutely ban all kinds of hideous

phenomenon in society. 4) We should strengthen security and prevention measures, and strengthen the comprehensive administration for social order.

Responsible comrades of the municipal Public Security Bureau, the Higher People's Court, the People's Procuratorate, and the Judicial Bureau respectively set forth specific opinions on ways to implement the guidelines of this conference. Attending the conference were responsible comrades of pertinent departments and commissions under the municipal party committee, various district and county party committees, various district and county departments of political science and law, and the Tianjin Garrison District.

NORTHWEST REGION

Gansu Reduces Illiteracy Rate

*HK1011084290 Beijing CHINA DAILY in English
10 Nov 90 p 3*

[By staff reporter Zhu Baoxia]

[Text] More than 800,000 adults in Gansu Province have learned to read and write since 1988 and the illiteracy rate among the young and middle aged has dropped from 36 percent in 1987 to 28 percent.

More than half of China's counties have reduced [the] illiteracy rate to below 15 percent among people between ages of 15 and 40.

Located in North-western China, Gansu is a province with a vast land area but is backward in its economy and education.

Statistics indicate that about 40 percent of the farmers in Gansu Province received little education.

The provincial government has mapped out a strategy to wipe out illiteracy across most of the province by 1995, according to the provincial Education Commission.

Each year, the provincial government allocates 200,000 yuan (\$42,463) for the campaign.

The local governments have also increased their budgets for anti-illiteracy work each year.

Pingliang prefecture has spent over 550,000 yuan (\$116,773) this year.

And Zhangye prefecture has allocated 190,000 yuan (\$40,339) in recent years.

A responsibility system has also been introduced to guarantee the smooth carrying out of the work. It is used to evaluate the performances of the officials in charge as well as that of the teachers.

In May, 13 cities and regions as well as 99 individuals were appraised and honoured by the provincial government for their outstanding performances in the work.

In many counties, the anti-illiteracy campaign has been integrated with information about scientific farming and development of compulsory education for children.

From a township enterprise in Wanggeertang, a town in Xiahe County, 80 workers participated in the training class sponsored by the farmers' culture and technology school, learning both how to read and write and about the latest technology. Twenty have passed illiteracy examination.

They have made use of what they learned to help install equipment for the factory, which saved about 150,000 yuan (\$31,847).

Some religious leaders also aided the campaign.

The Ahung in Shanggucheng, Guanghe County spared one room in his mosque for literacy classes, and he donated 1,000 yuan (\$212) to help purchase necessary teaching facilities.

Yilajiumai, living Buddha in Luqu County, also ran literacy classes for over 200 people.

He gives lectures often on the relationship between religious belief and cultural education.

Corruption Noted in Shaanxi Provincial Enterprises

90CM0337A Hong Kong CHAO LIU [TIDE]
in Chinese No 41, 15 Jul 90 pp 50-51

[Article in "Informational Report on Mainland Society and Life" column by Xu Hui (2485 6540): "Li Xiling, of Northwest National Cotton Factory No. 5, Uses His Power To Practice 'Extortion'"]

[Text] Relatively speaking, the more power one has, the easier it is to use one's connections and get in through the back door. However, power and the ability to wield influence are not totally intertwined. There are those who, even though they do not have much power, are resourceful and skillful at using it, and can become very proficient at using their influence. For example, those who manage household residencies, electricity, water, or oil are all in a position to utilize power ingeniously.

Qiu [6726], manager of a blanket factory, wields real power. He personally sold 10 tons of raw materials to some collective enterprises in Zhejiang and made 5,000 yuan in profit.

Wu [0702], director of supplies at a wool mill, also used the power of his position. He personally contracted to sell 15 tons of processed wool yarn to a small knitting mill in Zhejiang, and for this he received a 3,000 yuan "convenience fee."

Truly the power lies not in one's size but in one's cleverness!

Minor Officials Assign Higher-level Positions to Their Sons and Daughters

Let us examine another example, similar to the preceding ones except that this person managed people, not materials. His name is Li Xiling [2621 1585 1545]; originally he was a worker at Shaanxi Province Northwest National Cotton Factory No. 5, and later he was a materials allocation official at the Shaanxi Textile Industry Company's Office of Labor and Wages.

A materials allocation official has a minor position that is of no particular importance, but Li Xiling understood very well how much power he had. Searching for work is an important activity for mainlanders. Those who live in rural areas hope to find work in cities, those with jobs hope to find better ones, those unhappy in their original units hope to move to new units, those whose homes are elsewhere hope to transfer back home, and those unwilling to be workers hope to be cadres. All of these matters were within Li Xiling's control. Once Li Xiling had obtained this power, he prepared to use it.

The general rule in using one's connections is that a person of low status must get close to a person of higher status. This was true with Li Xiling; he first relied on his power to obtain the good will of his superiors. Only after they had obtained some benefits from him could he be assured of his power and begin to profit from it.

Only if some people are corrupt and rash can people like Li Xiling take advantage of opportunities and wantonly engage in major activities. According to Bian Feng [6708 6265], the company's party committee secretary, Li Xiling engaged in corruption together with Ren [0117], assistant director of the province's Textile Machinery Factory No. 2, Li [2621], assistant director of National Cotton Factory No. 5, and others. Using the name of a responsible person on the Youth Brigade committee, they transferred Bian Feng's son, who was working in Xianyang, to the Provincial Clothing, Shoe, and Hat Company. In addition, Li Xiling made similar arrangements for more than 10 sons and daughters of seven of Bian Feng's friends. Li Xiling also took similar measures to arrange work for the children and other relatives and friends of Wang Bin [3769 1755], assistant manager of the company, Yuan Xu [0337 3563], chief of the Office of Labor and Wages, and others.

Li Xiling used the method of "going outside channels" to illegally transfer various sons and daughters of the management into the Textile Scientific Research Institute, where conditions were favorable. Those transferred included the daughter of the deputy chief of the company's Organizational Department, the daughter of the deputy director of the company's party group, the daughter of the company's General Party Branch secretary, and the son of the deputy director of the Office of Provincial Personnel. The masses mockingly said, "The scientific research institute has become a nursery for the children of the leading cadres."

According to statistics from the Shaanxi Province Geological Examination Bureau, Li Xiling influenced the

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hiring or transfer of over 70 people at Shaanxi Cotton Factories No. 10 and No. 11 and at Printing and Dyeing Mill No. 3.

Li Xiling's hard work to gain influence with the leadership finally met with results. Company officials appreciated his clever accomplishments and gave him even more power. They tacitly accepted his "three principles of non-review": no review of internal personnel transfers within the textile system; no review of personnel transfers to other places; and no review of personnel changes. In giving Li such great power to wield indiscriminately, they also gave him a license to control labor and capital, a power that originally belonged to others.

Using Hiring Power to Wantonly Seduce Women

With power in hand and supporters standing behind him, Li Xiling was ever more sure of himself, and became domineering and arrogant. After leaving the factory, he liked to take the manager and secretary to eat, and sent a car to pick them up and then to deliver them back home. He was very arrogant, and if the slightest thing went wrong, he would reprimand and rail at whoever was at hand.

When he had power, Li Xiling's lascivious nature came to the fore. When a young woman responded to a notice, she was told that the National Cotton Factory No. 6 had not yet produced such a notice, so she entrusted someone to seek Li's assistance. Li Xiling knew very well that the factory had already issued an admission notice for this woman; he had obtained the files from hiring personnel. One morning, he led the girl to his home and used blackmail methods to forcibly seduce her in exchange for the notice the factory had issued.

Thereafter, under the pretext of the hiring process, he behaved obscenely toward this young woman and seduced her many times. She could not take the shame and humiliation and twice tried to commit suicide by poisoning. Only afterward did Li arrange for her to work at Shaanxi National Cotton Mill No. 11. To keep her from revealing what happened, he personally arranged to change her type of work in production and raised her salary, and then transferred her to some other provincial company belonging to the mill; he also inappropriately hired her sister.

A female temporary worker worked for a nursery in some organization in Shaanxi; because Li Xiling's child was under her care, they were acquainted with each other. Li invited her to his home on the pretext of talking about employment. There he took out three blank job applications with public seals on them for her to read, and then he pushed her onto the bed and raped her. Not long thereafter, Li used the Geological Examination Bureau's internal hiring quota to arrange for her employment. But, because she rejected his continuous pestering, he became enraged and confiscated her employment notice, and gave the quota to someone else.

Li Xiling also took advantage of the fact that some people wanted jobs in Xian, and was obscene and toyed with five young, single women.

The masses knew what Li Xiling was up to early on, but he did not care: "I'm not afraid. In the department, Section Chief Yun [0336], Manager Wang, and Secretary Bian all support me. The leadership trusts me, and the provincial department leaders are all my people."

Thus Li Xiling himself explained this mystery in one breath. In this crucial moment, one could see the artful use of this network of connections which he had so painstakingly constructed that year.

Many cadres at the Textile Industry Company became aware of the Li problem, and numerous times they suggested that it was inadvisable for Li to perform labor and capital allocation work. But some of the company's leadership paid no heed and, on the contrary, said that Li was "the company's daring and resolute cadre" and "a four modernizations cadre." They completely supported admitting him into the party and entrusted him with important tasks.

A fire cannot be contained in a paper bag, and thus the Li problem gradually came out into the open. At this time, the network of connections again manifested its tyrannical power.

A professor at a university in Xian meticulously concocted "appeal materials" for Li Xiling.

The chief of police at the Taihua Road Police Station concealed the truth and personally "dispelled suspicions" concerning Li. He also allowed the people's police to give false witness on Li's behalf.

The Xincheng Branch Office of the Xian Public Security Bureau dispatched two armed people's police by motorcycle to "do work" at an accuser's house and pressure him not to appeal to higher authorities.

When Li quit and came under investigation, a member of the Propaganda Division of the Shaanxi Movie Production Company used his personal connections to pass a copy of the "appeal" to an assistant director of the State Planning Commission's Economic Research Center, who passed it on to the Central Discipline Inspection Commission. This assistant director also sent this material to a leader in the Shaanxi provincial government, requesting him to investigate this matter.

Li Xiling is truly a person who feels no shame in exercising power by pulling strings. Those people who benefited from his actions all sympathize with his calamity, support him, and even publicly protect him. This shows most vividly how a network of connections is utilized.

Shaanxi Party Official on Enterprise Ideological Work

HK1311080990 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 10 Nov 90

[Text] At yesterday's provincial meeting on enterprises' ideological and political work, Mou Lingsheng, provincial deputy party secretary, said in his speech that vigorous efforts should be taken, in light of enterprises' actual conditions, to study and probe ways and methods to carry out enterprise ideological and political work in the new situation and to earnestly strengthen the role of enterprise party organizations in guiding ideological and political work.

Mou Lingsheng said the fundamental task of enterprise ideological and political work is to guarantee implementation of the party's basic line in the new situation, raise a contingent of workers and staff members with the "four haves," fully mobilize the enthusiasm of workers and staff members, and bring about a great advance in social productive forces. Current efforts in enterprise ideological and political work should be concentrated on grasping education in the following four aspects: 1) Education on socialist ideology and that on basic national conditions and the party's basic line should be grasped well so as to enhance the political quality of the vast numbers of workers and staff members. 2) Education on patriotism should be grasped well in order to heighten the sense of political responsibility of the vast number of workers and staff members in realizing the four modernizations and rejuvenating the Chinese nation. 3) Education on the concept that the working class are the masters of the country should be grasped well so as to arouse the socialist enthusiasm of the vast numbers of workers and staff members. 4) Education on the Yanan spirit should be grasped well in order to kindle the revolutionary spirit of self-reliance and hard struggle and the spirit of contribution of the vast numbers of workers and staff members.

Mou Lingsheng fully reaffirmed the ways adopted by some enterprises in the province to carry out enterprise ideological and political work, which have a distinctive feature of blazing new trails, fostering an enterprise spirit, setting up a party-member responsibility period, and carrying out cultural and recreational activities that educate. Meanwhile, he also called for efforts to carry forward and develop fine traditions, such as the traditions that ideological and political work should serve the party's central work and should be carried out simultaneously with economic and other work, that example is better than precept, and that the experience of selected units is used and demonstrated to promote work in the entire area.

Mou reminded the meeting that bringing forth new ideas should tally with our national conditions and enterprises' actual conditions, conform to the basic principles and guiding policies of ideological and political work, and help strengthen instead of weakening ideological and

political work. Our thinking should not be confused by some so-called fashionable concepts.

Status of Education, Health Work in Turpan, Hami

91CM0006A Urumqi XINJIANG SHEHUI KEXUE
[SOCIAL SCIENCES IN XINJIANG] in Chinese No 4,
15 Aug 90 pp 56-59

[Article by Gong Jinniu (7895 6855 3662), Finance Department, Xinjiang Uygur Autonomous Region; Yu Rongchun (0060 3310 2504), responsible editor: "We Must Rely Primarily on the Peasants and Collective Effort To Do a Good Job With Education and Health; Notes From a Study in Some Townships (Towns) in Turpan and Hami Districts"]

[Text] Not long ago, some comrades from the Finance Department of the Xinjiang Autonomous Region went together with several comrades from the Autonomous Region's Education Commission, Health Department, and Birth Control Commission to six counties (cities) and more than 10 townships (towns) in the districts of Turpan and Hami to study the status (particularly the financial aspects) of education, health, and birth control work in rural villages, as well as to get an idea of the burden shouldered by peasants. In this article I shall discuss a few issues in light of the results of this study.

I. We Must Rely Primarily on Peasants and Collective Efforts To Improve Conditions in Middle and Elementary Schools

For the children in the counties and villages where we carried out our study, enrollment rates and rates of staying in school were relatively high, but conditions in middle and elementary schools everywhere were rather bad. One problem was that there were a lot of inferior and hazardous school buildings. Another problem is that desks and chairs were in bad condition and there was little laboratory equipment. Funds for middle and elementary schools were in tight supply everywhere. Salaries for teachers, workers, and staff in middle and elementary schools are paid by the state (except for the salaries of some teachers and substitute teachers in privately run schools, which are paid for in part through collective funds). The state also appropriates public funds for schools which are used to buy desks, chairs, and laboratory equipment, as well as to repair hazardous buildings. State appropriations for schools have risen by relatively large amounts every year for the last several years, but they have practically all been used to raise teacher salaries and add personnel. The ratio of public funds to those used to pay salaries has fallen continuously. Not counting various specially earmarked appropriations, public funds generally account for less than 10 percent of all education funds. Sometimes the figure is only about five percent. The state is now having fiscal problems and could not possibly provide increased funding for education. In order to improve conditions in rural middle and elementary schools, we must rely

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primarily on the strength of peasants and the collective. There are three main ways to raise funds: 1) We must collect education surcharges. In accordance with regulations, a rural education surcharge of one percent of net peasant income can be levied. The upper limit is two percent. Most of the townships (towns) that we studied collect a surcharge on the basis of population or land (for example, some collect two, four, or five yuan per person). Actual collections generally amount to 0.6 to 0.8 percent of net peasant income, and in some cases this figure is only 0.3 to 0.5 percent. 2) Enterprises run by the masses or by villages or townships should donate funds and lumber, or help schools by transporting sand and stone for them. In the middle of a serious drought in 1989 in Balikun County, all the villages in the county raised a total of 360,000 yuan (despite sharply reduced agricultural output) to repair hazardous school buildings. 3) Peasants can do volunteer labor to help schools repair hazardous buildings. In principle, education surcharges are required by law and payment is a duty that peasants are supposed to fulfill, while donations of money are voluntary, but many villages treat education surcharges and donations of money as if they were the same thing. Some villages fail to collect all education surcharges in full according to regulations, yet at the same time raise funds by soliciting donations of money. They then use these donations as a substitute for education surcharges. During the study we told people in every locality that they must first collect education surcharges as required by law and inculcate among peasant an awareness that paying education surcharges in accordance with the law is a duty that must be fulfilled. Only after the surcharge has been paid should peasants be mobilized to donate money to whatever extent they are able. If these villages can collect education surcharges on time and in full in accordance with the law, and then have peasants donate money and volunteer labor, they will be able to gradually improve conditions in rural schools. We discovered during the study that, if village leaders do their ideological and political work well, peasants are very willing to donate money to run schools. Many beautiful mosques have been built in rural villages in recent years with money raised by peasants, so why should we not be able to mobilize the peasants to raise money for schools? The key is to do our work well and raise the peasants' level of ideological awareness.

II. Resolving the Problem of Hazardous Elementary and Middle School Buildings Requires Effective, Long-term Planning

As we traveled and observed, we gained one very strong impression: The task of overhauling hazardous middle and elementary school buildings is extremely difficult. The school buildings now scheduled for overhauling are only the most dangerous ones, but, in fact, after one group of buildings is worked on this year, new hazardous buildings may appear next year. Not only are most of the school buildings built in the 1950's and 1960's now hazardous, but many of those built in the 1970's will soon become hazardous. At that time, a single production team would contract to build a one- or two-room

schoolhouse, and "objects of the dictatorship" would make earthen bricks and build the school. The quality was quite bad. These school buildings are now, one by one, becoming hazardous. Some new brick-and-concrete and brick-and-wood school buildings have been built in recent years, but these relatively good structures account for less than one-third of all school buildings. Most school buildings are made of earth and wood, so hazardous buildings keep appearing. We found that, although Tuokexun County and Shanshan County had been the focus of special efforts last year to overhaul hazardous buildings, such buildings still existed there. For this reason, I feel that, while it is correct to concentrate our resources and work on hazardous buildings in a few counties at a time, we must approach the rebuilding of hazardous middle and elementary school building with a long-range plan. In my personal opinion, it would be very good if we could overhaul all the structures built in the 1970's by 1995. It is all right for us to concentrate our efforts on doing the buildings in a single county, but I think that at the same time we must pay sufficient attention to the overall problem. We must by all means schedule all truly hazardous buildings for overhaul.

III. Middle and Elementary Schools in Which Students Work Part-Time and Study Part-Time Should Concentrate Mainly on Agriculture, Animal Husbandry, and Forestry

By setting up programs in which students work and study part-time, we will be able to cultivate a work ethic among students and sharpen their labor skills, and this course of action would also provide another source of funds. This study has further reinforced my view that it would be more practical for schools in Xinjiang that implement part-time work and study programs if they concentrate on agriculture, animal husbandry, and forestry. It would be difficult to do much in the area of industry. The Turpan district has required every village government to allocate land to schools (two mu to every middle school and one mu to every elementary school), and this plan is currently being implemented. Most schools in the Hami district have land (from 10 or more mu to over 20). The central school in Balikun county has been allocated 15 mu and 250 sheep by the village government, and a well has been dug. The school is engaged in agriculture and animal husbandry and is capable of bringing in 12,000 yuan per year, which offsets some of the school's expenses. It is understood that rural village governments are willing to give some land to the school, but the problem is that land and water are in short supply. However, this problem can gradually be resolved if we work hard.

IV. We Must Work Hard To Restore the Cooperative Health Care System in Villages

Our study left us with the following impression of the status of health care in the counties and villages we visited: Work on planned immunizations, checkups for women and infants, and inoculations has gotten under way, but health care in general is very shoddy. For

instance, rural villages lack highly qualified doctors (among the rural doctors in the three counties and municipalities in Turpan district there are only four with university training, and only one of these four has actually graduated). Medical equipment in township hospitals is very inferior. Some of the health clinics at the village level (formerly the production brigade) have been closed down, and others exist in name only. Some of the former village doctors (barefoot doctors) have become individual entrepreneurs who take responsibility for their own profits and losses. The cooperative health care system in most rural villages has disintegrated. The cooperative health care system in most of the townships of Turpan district is still intact, as it is in some of the townships in Shanshan County, while it has been fundamentally disbanded in Tuokexun County and the various counties (cities) of Hami district. The health care system for peasants is no longer supported by society.

Because peasants work and live in a relatively poor environment, medical school graduates and doctors in urban hospitals are unwilling to work in rural villages. This problem will not be easily solved any time soon. Everywhere we went we discussed this situation with other comrades and came to feel that we could adopt the following measures: We should send medical personnel with a certain amount of experience from hospitals in large cities and county seats to take turns working for periods of one-half year, one year, or two years in rural villages. They should spend part of their time doing medical work and part of their time training rural medical personnel. We could give appropriate encouragement to doctors who go to rural villages. In particular, when we assign professional titles we could pay special attention to these people.

Village health clinics are the most fundamental part of the health care system. Getting village health clinics will facilitate efforts to do a good job with rural planned immunizations, checkups for women and infants, inoculations, and the cure of common diseases. During the course of our study we came to feel that the key to running village health clinics well lies in resolving the question of remuneration for village doctors. Some counties have ruled that subsidies should be funded from health service fees and given to village doctors on the basis of services rendered in such areas as planned immunizations, checkups for women and infants, and inoculations. At the same time, they should be given subsidies from the general fees retained by collectives. Village doctors also get income from contract land. The total income of these village doctors is no lower and sometimes is even higher than that of a local person with average labor capacity, so they are willing to work as village doctors, and the village health clinics have held on. Some localities have not resolved the issue of remuneration for village doctors, with the result that the ranks of village doctors cannot be stabilized, and the health clinics have closed down. In order to resolve this problem, we must consider a regulation that all village doctors be given subsidies from state health service fees and from the general fees retained by collectives.

The cooperative health care system in rural villages is a method of mutual assistance and cooperation adopted by peasants in order to provide a social safety net in the area of health services, and it demonstrates the superiority of the socialist system. The main reason why the rural cooperative health care system has collapsed in many localities is that villages failed to resolve the question of funding for cooperative health care after they implemented the household contract responsibility system. The main reason why cooperative health clinics in some villages have been able to continue operating is that leaders at the county and village level have attached importance to them and have taken measures to raise health care funds. The normal method has been to collect a cooperative health care fee of three to seven yuan per person. People who receive treatment in the cooperative system go to a village health clinic, a township hospital, or a hospital to see a doctor, where differing percentages of expenses for medicine are paid by the government. They pay out of their own pockets for examinations and treatment. This provides a safety net for peasants with respect to the treatment of common illnesses. During the study we came to feel that raising five yuan per person is not enough to cover the expenses of cooperative health care. If funding for cooperative health care is too low it will affect attempts to stabilize the cooperative health care system. The economic situation in Hami Municipality's Erbao township is fairly good, and they are already studying ways to restore the cooperative health care system. They intend to collect 20 yuan per person for the system. We feel that restoring the rural collective health care system is an important measure for strengthening rural health care, and party and government leaders everywhere should attach importance to this issue.

V. In Order To Do a Good Job of Birth Control, Some Concrete Problems Must Be Resolved

Party and government leaders in the districts of Turpan and Hami generally attach great importance to birth control work. Tuohuti Han [2094 0039 2251 3063], deputy head of Hami Prefecture, often visits people at the grassroots level to check on birth-control work and to solve concrete problems. The party committee in Hami Municipality's Erbao township has given the same priority to birth control as to production. Hami Municipality and Erbao township have both been named advanced units in the area of birth control. In general, birth control work in most of the counties and townships of these two districts is going relatively well not only among ethnic Hans but also among minority ethnic groups. The birth rate among minorities in Hami district was 37.7 per thousand in 1975 and 19.8 per thousand in 1989. The birth rate in Tuokexun County also reached a relatively good level (17.03 per thousand) by 1989. However, we also discovered during our study that a small number of cadres do not attach enough importance to this work. They tend to talk a lot, take few concrete measures, and achieve few noteworthy results. We came to feel during our study that to do a good job of birth

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control, in addition to continuing to raise the consciousness of the great masses of cadres and people, we must also resolve some concrete problems: 1) We must take measures to build up and stabilize the ranks of birth control workers at the township and village levels. At the township level there is currently a birth control assistant who is part of the state apparatus. At the village level, in some places the director of the local branch of the All-China Women's Federation or the village doctor serves concurrently as the birth control propaganda officer, while in other places there is no such officer. In any township or village where the ranks of birth control workers are relatively sound, birth control work is relatively successful. Without a stable corps of birth control personnel, the opposite is true. Our study indicates that the key to finding birth control personnel at the village level and holding on to them is to resolve the problem of remuneration (mainly a matter of townships and villages giving subsidies). We suggest that all levels of government formulate appropriate methods to resolve this problem. 2) Departments that carry out birth control work must raise the quality of service and make things easy for the masses. Peasants currently like to use contraceptive drugs that are effective for a long time, so we should work to satisfy demand. We must enable key township hospitals to perform birth control operations for the convenience of the masses. 3) We must provide transportation to township birth control workers so they can work more efficiently. 4) We must manage and use birth control funds well. We should require that a certain percentage of the general fees retained by townships (towns) be used for birth control work. We must strengthen management of the collection of fees for having too many children and ensure that these funds are used for birth control work and not misappropriated.

VI. We must make a factual, concrete analysis of the burden shouldered by peasants.

State Document No. (90)12, issued by the State Council and entitled "Announcement Concerning Lightening the Peasant's Burden," stipulates that a rational burden for peasants consists of: 1) general fees retained by collectives, including public accumulation funds, welfare funds, and administrative fees. 2) that part of the general fees retained by townships (towns) for which peasants are responsible; and 3) rural voluntary labor (excluding peasants' accumulated labor used in building the irrigation infrastructure). Taking the township as the unit of accounting, the burden on peasants for general fees retained should generally not increase by more than five percent per person in one year. Where economic conditions are relatively good, an appropriately higher percentage can be withheld if the county government approves it. Every village is obligated to contribute five to 10 standard labor units of voluntary labor every year. If the people's government at the county level approves it, this can be increased by an appropriate amount where conditions are good. Peasant income in most counties (municipalities) in the districts of Turpan and Hami is relatively high. Net per capita income among peasants

and those engaged in animal husbandry in 1989 was 770 yuan in Turpan Municipality, 733 yuan in Shanshan County, 748 yuan in Tuokexun County, 655 yuan in Hami Municipality, 383 yuan in Balikun County (it was 496 yuan in 1988, but 1989 was a bad year), and 450 yuan in Yiwu County. No matter where we went during our study, people everywhere expressed the opinion that the peasant's burden is too heavy. Is the burden on peasants actually heavy? Some cursory examinations into this question in some townships showed that the burden on peasants in some townships is indeed too heavy, and the general fees retained by collectives which are paid by peasants account for about seven percent (hereafter referred to as the burden ratio) of net peasant income. However, in some townships the peasant's burden ratio is under five percent. In some places it is only three or four percent. So why does everyone say the peasant's burden is too heavy? During our study we discovered that most townships and villages do not keep very accurate statistics on the income and burden of peasants, and they classify more things as part of the "peasant's burden" than are actually defined as such by the State Council. Some localities consider as part of the "peasant's burden" production costs (such as fees for tractor use, water, and electricity), the cooperative health fees paid by peasants for their own medical treatment, and agricultural and animal husbandry taxes. When you make your calculations in this manner, naturally the peasants' burden ratio will be high. In a broad sense, these items listed above are a burden on peasants, but the "burden on the peasants" that we are talking about here is the peasant's social burden. We are talking about the general fees retained by collectives as stipulated by the State Council. When calculating the burden ratio, it should be done using these items only. Some townships (villages) do not calculate voluntary labor and accumulated labor separately either. When different items are included in different people's calculations, and data are incorrect, the results are naturally unreliable. If, after more accurate statistics are available, we find that the burden is too heavy, then we should take measures to correct the situation. If we do not adhere to regulations and fail to collect all the general fees retained by collectives that are called for, and if this affects necessary expenditures, then we should collect the full amount. Doing so would be in line with the peasants' own interests. It should not be seen as adding to their burden.

Baren Township Strengthens Party Organizations

*OW0511223690 Urumqi XINJIANG RIBAO in Chinese
12 Oct 90 p 1*

[Dispatch from Artux by reporter Ren Cheng (0117 3397)]

[Text] Baren Township in Akto County, drawing a lesson from the counterrevolutionary armed rebellion, has strengthened the building of primary party and government organizations in an all-around way. Under concrete guidance from the Kizilsu Kirgiz Autonomous Prefecture party committee, the Akto County party

committee, and the work group, the aforementioned work is proceeding smoothly and yielding remarkable results.

The former leading body of the Baren Township party committee in Akto County long overlooked the building of primary party and government organizations. As a result, the township was lax in its work, its primary party organizations were weak, the party members and cadres failed to play an exemplary vanguard role, unhealthy tendencies arose, and counterrevolutionary elements took advantage of the situation to stage a counterrevolutionary armed rebellion in early April this year. The rebellion has caused great losses to the party and to the people, and has had a bad political impact. Since the rebellion was quelled, a work group, formed by the Kizilsu Kirgiz Autonomous Prefecture party committee and the Akto County party committee and comprising some 260 cadres from prefectoral and county organizations, has been working in the 14 villages of Baren Township. The work group conducted a serious investigation and quickly reorganized the leading body of the township party committee with the approval of the county party committee. It also convened the township People's Congress, which elected the new township government leadership and recalled 11 township People's Congress deputies who were involved in the rebellion.

Since they took office, the new leading members of the township party committee and the township government have seriously heeded the bitter lesson. Under the guidance of the work group, they have strictly screened and reorganized 10 grassroots party branches, reelected eight villagers' committees, rectified and rebuilt the militia, women's federation, Communist Youth League, and security organizations, and strengthened primary party organizations and cadres.

The township party committee has improved the inner party life, ensured the implementation of the system of "three meetings and one lesson," established the system of party member contact with people and the system of democratic appraisal of party members, and reregistered 389 party members in the township. Forty party members who lost revolutionary zeal and party spirit or took part in the rebellion were either persuaded to withdraw from party membership or were expelled from the party. Thus, the party organizations have become purified. At the same time, the township party committee has also readjusted and strengthened the cadre force of villages and villager groups, and established cadre management procedures. Presently, each village has five to seven cadres, while each villager group has about three cadres. So, every area of work has been attended to by someone.

Another cause for the counterrevolutionary armed rebellion at Baren Township was that religious activities in rural areas were manipulated by national splittists, as our party was not firmly in control of its ideological and cultural positions there. Since the rebellion was quelled, all villages in Baren Township have set up culture rooms with the help of the work group. Additionally, the

Autonomous Regional Nationalities Affairs Commission has appropriated 30,000 yuan for the 14 villages in the township to buy cultural and recreational equipment. Kizilsu Kirgiz Autonomous Prefecture and Akto County have also appropriated 30,000 yuan to help Baren Township build a wire broadcasting network. These measures have fundamentally improved the cultural life and strengthened the ideological and political work in the township. With the new facilities, the township, using the rebellion incident as teaching material, has carried out thorough ideological and political education among the villagers, urging them to defend the motherland's unification, oppose a national split, and uphold the four cardinal principles. It has also rectified religious affairs, strengthened leadership over religious work, established a complete management system, put an end to religious intervention in administration, judiciary, education, and marriage, governed religious activities with law, and protected the freedom of religious belief and the freedom of religious disbelief among the people of various nationalities. All villages have set up "assistance and education groups" to help and educate those who show repentance for involvement in the rebellion. The villages have thus isolated and dealt a blow to a handful of national splittists and remarkably improved public order.

Young People Eager To Join Army in Xinjiang

OW1311023790 Urumqi Xinjiang Television Network in Mandarin 1400 GMT 12 Nov 90

[By correspondents (Gu Jianxin) and (Meng Weiping); from the "Xinjiang News" program]

[Text] To fulfill the winter conscription work according to projected quality and quantity requirements, the Xinjiang Production and Construction Corps has made a serious effort to conduct propaganda and education in this regard. Since the beginning of November, propaganda departments and people's armed forces departments at all levels of the Xinjiang Production and Construction Corps have developed a wide-scale conscription propaganda and education campaign, which focuses on promoting patriotic spirit and enhancing national defense consciousness, in all divisions, bureaus, reclamation areas, and industrial and mining enterprises. In the campaign, the units concerned have made full use of all means of propaganda, including radio, television, billboards, and sound trucks, to publicize the Military Service Law and related policies and regulations on this year's winter conscription among the broad masses of farm workers, herdsmen, and young people who have reached military service age. [Video opens with shots of people reading billboards, cuts to shots of young people waiting in line and uniformed military personnel seated at a table]

In connection with the conscription propaganda, some units have held billboard exhibitions to disseminate national defense knowledge, offered consultative services, and distributed propaganda materials. Such diversified propaganda and educational activities have

aroused the patriotism of staff and workers as well as young people of military service age. As a result, young people of military service age have vied to sign up to join the Army.

Xinjiang Media Use Minority Languages
*OW2510135090 Beijing XINHUA Domestic Service
 in Chinese 0625 GMT 25 Oct 90*

[By reporter Qin Fengtong (4440 7685 2717)]

[Text] Urumqi, 25 Oct (XINHUA)—People of Uygur, Kazak, and Kirgiz nationalities residing in areas both south and north of the Tianshan now have XINJIANG RIBAO published in their own language to read, radio programs in their own language to listen to, and television programs in their own languages to watch.

Xinjiang now has established a multiple-language radio and television network, and enabled "all nationalities in autonomous regions of minority nationalities to enjoy equal rights in using and developing their own spoken and written languages."

Since April 1989, television stations throughout the autonomous region, except those at Changji, Miquan, and Shihezi, have been broadcasting television programs in more than two languages. Kazak-language television programs used to be once a week; now they are aired seven times a week.

At present, the Xinjiang People's Radio Station uses five languages in its broadcasts, including 16 hours in Uygur, 16 hours in the Han language [Mandarin], nine hours in Mongolian, nine hours in Kazak, and two hours in Kirgiz. The Xinjiang Television Station broadcasts 16-hours of daily programming in the Uygur, Han, and Kazak languages. XINJIANG RIBAO is now published in four languages—Uygur, Han, Kazak, and Mongolian. The Xinjiang People's Publishing House publishes books, journals and textbooks in six languages—Uygur, Han, Kazak, Mongolian, Kirgiz, and Xibe.

There are 47 nationalities in Xinjiang. Of them, the Hui and Manchu nationalities use the Han language, while other nationalities use their own languages. In order to build a bridge between the nationalities with small populations and the outside world, the autonomous region is publishing newspapers and journals in the languages of those minority nationalities in the prefectures, autonomous prefectures, and counties where they

live in insular communities. Now there are newspapers published in the Kirgiz and Xibe languages in Kizilsu Kirgiz Autonomous Prefecture and Qapqal Xibe Autonomous County, respectively.

Xinjiang Reports Wider Radio, TV Coverage
*OW2810104090 Beijing XINHUA Domestic Service
 in Chinese 0731 GMT 27 Oct 90*

[By reporter Li Shengjiang (2621 3932 3068)]

[Text] Urumqi, 27 Oct (XINHUA)—The rapid development of the broadcast and television industry has ushered in an information age in the once secluded Xinjiang Uygur Autonomous Region in the northwest, thus bringing the region much closer to the hinterland and the outside world.

In the early years of liberation, there was only one radio station in the autonomous region. Television transmission did not begin until the 1970's. In the 1980's, the party and government began to pay great attention to the development of the radio and television industry, investing large amounts of manpower, materials, and financial resources in building related installations. The region now has 37 broadcasting and relay stations, with a total transmission power 3,000 times that of the early years of liberation. The Xinjiang People's Broadcasting Station beams programs totaling 52 hours in five languages—Uygur, Mandarin, Kazakh, Mongolian, and Kirgiz—to the entire region every day. Seventy percent of the region's population receives the broadcasts. Meanwhile, the television industry has advanced by leaps and bounds. There are now 810 television stations, television relay stations, differential relay stations, and satellite ground-receiving stations in the entire region. Television stations in various parts of the region air a total of 38 programs, most of which are beamed in two languages over two channels to 65 percent of the population. People of various nationalities in urban and rural areas can watch or listen to the national and international news of the same day.

Currently, more than 8,000 people are engaged in the radio and television industry in the autonomous region. Substantial and colorful radio and television programs have played a pivotal role in publicizing the party's principles, lines, and policies; transmitting information and scientific and technological know-how; providing cultural entertainment to people of all ethnic groups; promoting security in border areas; and fostering interethnic unity.

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